Your business debt: p. 24

What's wrong with farming?: p. 17

The Financial Post

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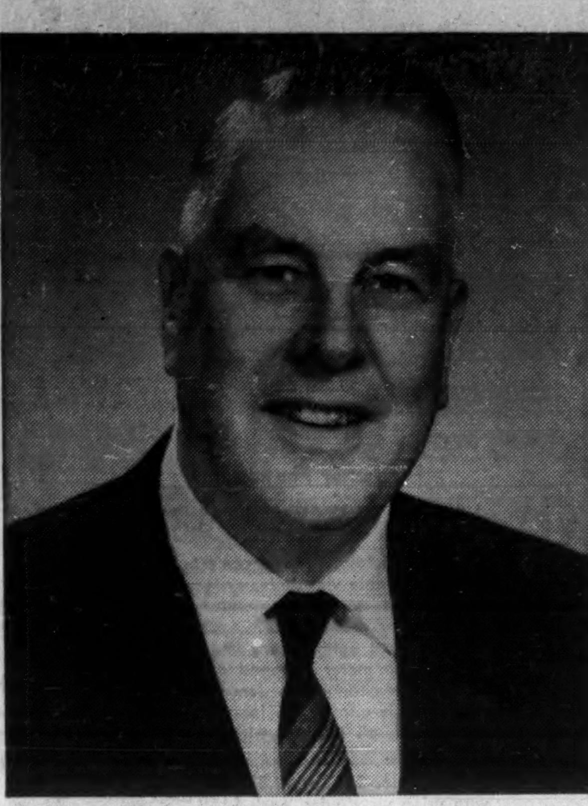
Surplus Equipment Worry



A pattern of higher sales, lower profits and a mounting surplus of used equipment is posing problems for the $600 million industry which imports and distributes heavy construction equipment. The over-supply of used machinery is aggravated by discarded U. S.-owned equipment from defence bases in Canada. Oliver H. Bell of Vancouver, this year's president of the Canadian Association of Equipment Distributors, is leading the industry in its battle for a change of government policy.
Mr. Bell is president of Pacific Tractor & Equipment Ltd.

NATION'S BUSINESS

Inquiry into Autos Just a First Step

Is secondary manufacturing industry in Canada to continue its relative decline or is the federal government going to review its commercial policies and change the trend?

This week's appointment of Dean Vincent W. Bladen of the University of Toronto as a one-man Royal Commission to investigate the Canadian automotive industry indicates that this very sore and important problem will get a candid, piercing view (see p. 7).

While his study and his recommendation will be limited to the automobile and the auto parts industries, it is inevitable that what he finds and what he recommends will apply to most of our secondary manufacturing industries.

For the problems and predicaments of the Canadian car business reveal the very heart of the contemporary Canadian problem: survival of secondary industries in this country.

Production and jobs in the Canadian cars and parts industry has been declining for four years—four years of great apparent Canadian prosperity and general growth. In 1953 employment in these industries was 76,490. Last year it was 51,052. In the same time our population grew 17.5% and our GNP grew 38%.

Increasing imports from Britain and Europe are only part of the story. Another part is that with the increased variety of models available, more tons of finished car are being imported from the United States.

As revealed in several special articles in **FP** in recent weeks, nearly all secondary manufacturing industry in Canada is now in trouble and the outlook is for more trouble.

It is devoutly to be hoped that the people presently entrusted with running this country recognize the present crisis for what it is. It is not a cry for mere tariff tinkering. It is not just a lamentation about disappearing profits.

The future economic and social well-being of all Canada is involved. We are now at a point where basic decisions which will affect this country and its people for decades have to be made.

To leave Canada on its present course is to doom our people to still more unemployment and to still smaller production by secondary industry.

The survival of Canada as a separate nation is very much bound up with the answers which Ottawa must shortly give to these basic problems.

Hang on Tight and Pray

Our neighbors down below the 49th parallel are launched on what is going to be the toughest, loudest, nastiest American election campaign of the century. Both Kennedy and Nixon are past masters at the art of political infighting. The last two times out, we've watched a couple of political cream puffs, Eisenhower and Stevenson, politely punch away at each other. But, as the saying goes, we "ain't seen nuthin' yet" as Kennedy and Nixon start whacking away at each other both above and below the belt.

"Tricky Dick" and "Little Boy Blue", as the two combatants already have been nicknamed, will leave nothing sacred. Kennedy's Catholicism will be subtlely but effectively pinpointed by Nixon, and his hirelings can be expected to warn of impending dictatorship from Rome.

And Kennedy, no slouch at this same sort of thing, will be harping on Nixon as "McCarthy in a white collar" and will inevitably dredge up the Nixon "expense" fund.

Both will be running scared because at this writing the election is a toss-up. The Las Vegas bookmakers are offering 6-to-5 and take your pick.

And worst of all, it is now certain that how to handle the Russians will be the major issue of the campaign. Nixon is clearly going to campaign on a "talk rough" to the Russians line. Republican speakers already have made it clear anybody who does not talk tough is unpatriotic, un-American and probably a lot worse. Nixon's running mate Lodge has built his career on roughing up the Russians.

Altogether, the next three months will not be one of the more enlightening periods in history as our uncertain world is led by the even more uncertain Americans. We can only shut our eyes, hang on tight and pray that when it's all over good sense will descend over Washington.

'Biggest' Market For Natural Gas Coming in Steel?

It's a fight between gas and oil and coal. And it could be a big competitive boost for our steel makers at a time of trial . . .

By W. L. DACK

Look for the biggest market yet for natural gas soon to open up in Eastern Canada in the blast and open hearth furnaces of Hamilton's two big steel producers.

Out of negotiations currently under way could emerge:

- **Largest** single industrial market outlet for Canadian gas.
- **First Canadian** — possibly the first in North America — use of natural gas in blast furnace operations.

Injection of natural gas into blast furnaces to boost iron yield and to cut coke consumption is one of the hottest new developments on the steel-making front.

Several Russian steel-makers have been using the process for some time.

The two Hamilton - based steel-makers — **Steel Co. of Canada** and **Dominion Foundries & Steel** — are ideally located on gas distribution lines.

In extensive tests using natural gas, the U. S. Bureau of Mines has boosted molten iron yield by one-third and at the same time cut coke consumption **by 30%. Iron quality was improved since sulphur content (of coke) was reduced.**

In the tests, maximum gas use was 4,660 cu. ft. per ton of hot metal produced.

Steel men see a real possibility of four of the seven Hamilton blast furnaces adopting the new process if gas prices and company tests stand up.

Stelco is also looking into gas use in open hearth steel-making furnaces for faster heats and increased yields.

How much gas would be involved?

"Quantities would be big, very big," one Stelco official told **FP** this week.

"If this develops as we see likely, this could be our biggest industrial market in Canada," a **Trans-Canada Pipe Lines** officer said.

But the most important result for Canadians:

The new process promises to improve the economics of the whole Canadian steel-making operation at a time when imports competition has reached a new peak.

But gas will have to fight off the bid of another big new contender for the blast furnace business: Heavy fuel oil.

Major integrated oil companies on this continent have embarked on the biggest program to uncover new outlets for petroleum.

Hard-pressed by a heavy world oil glut, they're searching hard and far.

Oil men will delve into virtually all the big industrial processes and a whole range of petrochemical possibilities.

Imperial Oil — Canada's biggest integrated oil company—is exploring dozens of new industrial market potentials.

One of the most promising, Imperial officials admit, is use of bunker C in blast furnace operation.

A sister hydrocarbon, the fuel oil would do much the same job as gas. But on an exact cost per Btu basis steelmen would probably prefer gas.

At the same time, coal men, dock operators and railways, faced with increasing natural gas inroads into coal sales in Ontario, are gearing up to slice prices (see p. 4).

It's thought highly unlikely though that any price cuts in coal could stem the new swing to gas or oil in our steel industry.

Ottawa Again Considering $40 Million Acreage Plan

OTTAWA (Staff) — The government is considering a $40 million acreage payment to Prairie grain growers, similar to the acreage payment scheme of two years ago.

The new payment is likely to be announced as soon the Cabinet can catch its breath after the pre-adjournment rush of parliamentary business.

(More about our farm industry and its problems, p. 17.)

Had the farmers not continued to push for deficiency payments despite repeated Government rejections of that principle, new acreage payments would likely have been announced last spring.

The new payment would be a substitute, just like the 1958 one, for some $200 million in deficiency payments to bring recent wheat, oats and barley returns up to the 1945-53 average.

It will likely give western farmers $1 per acre up to a maximum of $200 per farm, like the 1958 scheme.

The new plan has been incubating here since the "March on Ottawa" of 1,000 western farmers in March, 1959, when Prime Minister Diefenbaker rejected the principle of deficiency payments.

Last January, the Western Farm Liaison Committee — consisting of the Alberta, Saskatchewan and Manitoba wheat pools, farm unions, and Federations of Agriculture, plus the United Grain Growers — came back again with a plan for deficiency payments.

Diefenbaker rejected it publicly in March, with a hint that "alternative measures," i.e., acreage payments, would be considered. The idea was to persuade the liaison committee to come up with an acreage payment plan.

In May, the committee said it would discuss acreage payments, and in June, Diefenbaker said the cabinet would meet the committee.

At this point, the last-minute rush of government business intervened. The meeting, and the acreage payment scheme, have been hanging fire since.

Imported Cars Taking Almost 30% of Market

By RALPH YOUNG

Despite a slight decrease in sales of new cars in June, compared to the same month last year, Canada's automobile dealers in 1960 have held their own with the first half of record 1959.

More about our auto industry, p. 7.

Sales of U. K. and European cars in June represented 29.8% of the total market, compared to 28.1% for the same month a year ago.

In the first half this year, these imports took 26.8% of unit sales, against 23.8% last year for the comparable period.

Addition of the Envoy as a companion car to Vauxhall has given **General Motors** a definite edge in the import business, with more than 7% of the total market, and better than a 20% increase in sales of its imports over last year.

Volkswagen, in a strong second position, has sold about 15% more units than in the first half of 1959.

British **Ford** has improved its sales by close to 20%.

General Motors slipped slightly in sales of its domestically-produced cars, to take 39.2% of the total market.

With Vauxhall and Envoy added, GM had just over 46%, down only half of a percentage point from last year.

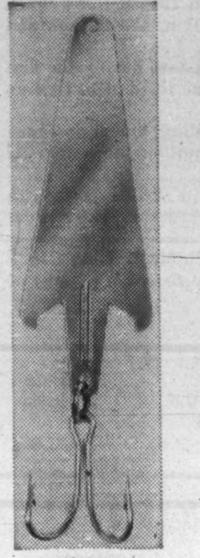
Sales of Ford's domestic lines held at just under 20% of the total market compared to 22.5% last year.

With British Ford lines added, Ford dealers had not quite 22.3%, down appreciably from their 25% share last year.

Chrysler, with a 12% increase in actual sales over last year — only Canadian company to sell more domestically-produced cars — has 11.4% of the market, compared to slightly better than 10% a year ago.

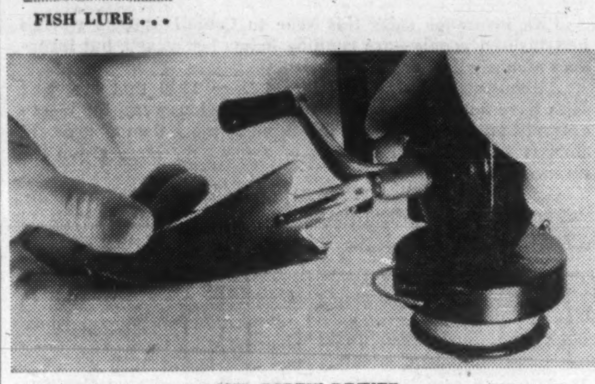
The Canadian auto industry is now in its changeover period, preparing the plants for production of 1961 models.

Company sales officials say that, while dealers have ample stocks of cars to take care of demand between now and introduction of the new models in October, most dealers should not experience undue difficulty in cleaning up their inventory of Canadian-built cars.



FISH LURE . . .

IS BOTTLE OPENER . . .



AND SCREW DRIVER.

Fishy Screw Driver And Puddle Pickers

A non-explosive seismic earth prober . . . a bread freshener . . . an easy way to correct typing errors . . .

Some of the brightest business news of this warm, sticky, midsummer week comes in the form of new products.

FP reports on them in its weekly What's New column:

TYPEWRITING errors can be corrected more quickly and without messy erasures or smudges by using a chemically treated paper. You back space to your mistake, put the correction paper over the copy coated side down, and repeat the error. The error is covered up by the white chemical and then you can type in the correction. One sheet corrects at least 2,000 errors, distributor says. Price: $1.39.

* * *

CELLULOSE DECAL resists mist and ice when applied to car windows, bathroom windows or other glass areas, maker says. The specially treated transparent decal does not impede the view. It is 14½ in. by 9 in. in size, 1/1,000 in. thick. Because of its thinness, it does not hamper the use of car windows, maker says.

* * *

FISHING LURE can be used as bottle opener, screw driver, shoe horn or fish scaler when not busy catching fish.

PUDDLE PICKER: Foam-covered perforated roller removes water, gasoline or light oil puddles from concrete, tarmac or other hard surfaces. It leaves surface clean and practically dry, maker says. It's hand pushed or pulled, weighs 98 lb. dry, and is silent in operation. The machine can also be used for removing rain and puddles from turf, such as tennis courts and golf greens.

* * *

TV KALEIDOSCOPE is name of toy activated by holding it in front of a TV screen and spinning a 5-in. disc. Colorful patterns are created by the 30-cycle scanning lines which are part of TV sets. The toy performs without having a picture on the screen.

* * *

SUPER - MUSICIANS: Truly portable sound reproduction unit adds echo and reverberation effects to voice or instrument of musician in dance hall, night club, party, etc. Previously available only in recording studios, according to the maker.

* * *

SEISMIC TIMER explores the structure of the earth to depths of 50 ft. without drilling or blasting. It measures the velocity of seismic shock waves generated by someone banging a sledgehammer against a steel plate on the ground. The system is a simplified adaptation of techniques used in oil exploration. It's useful for determining rippability and earth stability, for locating hardpan, large boulders, water table and

(Continued on page 2, col. 3)

Signs & Portents

WATCH FOR bread made from fish heads and tails. Fisheries Research Board has developed a fish flour minus a fishy taste and served fish-flour buns at a Halifax banquet. Some large concerns are interested. It could mean a smaller market for prairie grain.

* * *

IDEAS THAT SMELL: Fire insurance company impregnates its advertising folders with the smell of burnt-out house. Netherlands orchestra on tour sprays a special perfume through the halls during a romantic rendering. Perfumes sprayed on bark keep hares from damaging young trees.

* * *

AIR PICKETS: U. S. missile workers on strike for more pay picket plant with aircraft towing banners in order to dissuade would-be scabs from trying to get in by helicopter.

Small Business 'In Confusion' Over Problems

Can anybody help the little guys? One of them says: "We are in the midst of a merchandising revolution — and only the willing and strong can survive . . ."

By NORTON ANDERSON

Canada's small business is in a state of utter confusion, as it faces some of its toughest problems ever.

Gross profits are shrinking. The little guys need more credit to keep pace with competition and, they claim, there is a credit gap for the medium-small operators. The shadow of the big operator hangs over all of them.

"We need Ottawa help," some small businessmen say (**FP**, July 30). Others say government can't do anything constructive. Many don't even know what kind of help they want. Others don't even know whether they're "small business" or not.

Worst off of all the small businesses: The thousands of "mama and papa" retail shops across Canada, who think they can't ask or expect help of any kind from anybody.

That's the picture I uncovered this week and last in a cross-Canada check of scores of small businessmen and their trade associations.

Small business spokesmen have besieged Ottawa in the last two years with delegations seeking "some kind of help", and they also admit to despatching "numerous, conflicting briefs" to the government.

They're the exact quotes from two trade associations.

But only a small minority feel that effective help should or can come from Ottawa.

The successful ones are asking for nothing.

They say: "We are opposed to the use of taxpayers' money to assist our badly run, underfinanced competitors who are the ones doing most of the yelling."

Many say they are not sure what they are.

About 325,000 businesses of all kinds operate in Canada today (**Dun & Bradstreet's** special estimate for **FP**, but nobody can agree on the definition of a small business).

An official of a group of 40 Canadian retail trade associations said:

"Government legislation or intervention will not help the tens of thousands of 'Mama and Papa' concerns in Canada.

"We think it boils down to a study—and much study is still needed—of the problems of a fairly limited group composed

(Continued on page 2, col. 1)

'Anti-Suburb' Street Mall Sales Bustle

By LESLIE WILSON

OTTAWA (Staff)—Merchants along Ottawa's controversial shopping mall are doing a roaring business, compared with last year.

This is particularly true of sales of items below $15.

Restaurants, including the mall's three sidewalk cafes, are doing a capacity business at [illegible] usual business during off hours.

Sales of men's and women's clothing, books, hardware, shoes, low-priced department store merchandise, are booming.

Sales of higher-priced items — the more expensive clothes, appliances, jewelry — are also on the upgrade, but not so definitely as the below $15 items.

The Ottawa mall is an interesting experiment. It was the first to open on a semi-permanent basis as downtown businessmen's answer to shopping centres in the suburbs.

Retailers also are watching with interest **Webb & Knapp's**

(Continued on page 8, col. 1)

How Much Boom?

The Outlook

An FP roundup of the latest facts and expert opinion on the economic weather ahead . . .

WHILE THE reduction in margin requirements to 70% from 90% gave the U. S. stock market a shot in the arm, there's not much evidence from past experience that it will have any lasting effect on stock price trends.

The Federal Reserve has cut margin requirements four times previously in the past 20 years. The reduction usually brought a short lived rise in stock prices immediately, only to be followed by a decline of 5% or more in stock averages, lasting at least two months.

In other words, changes in margin requirements have had no visible effect on the intermediate trend of the market.

On the other hand, to the extent that they portend generally easier credit, the changes are regarded in many quarters as a bullish factor.

According to one widely read U. S. investment service, for instance, the market is in a culminating phase of a decline. Despite many adverse factors—the Summit collapse, the Cuban situation, lower second-quarter corporate earnings, U. S. political controversy—the U. S. economy is more prosperous than ever, there is little to indicate a serious decline in business over the next several months, credit is easing and companies are in a good cash position.

* * *

Still in the back of investors' minds, however, is the question of just where the market will make a turnabout. On previous occasions, it has been known to start its climb when business was on the decline. This happened in 1953 and in 1957, for instance. In both cases, the market decided that the drop in business would not be severe, nor would it be prolonged.

In Canada, many significant business indicators are already moving downward (FP, July 30). Stock prices have been on the decline for more than a year. Government is already moving to boost anti-recession measures (e.g., an increase in winter

(Continued on page 2, col. 2)

Small Business In Confusion Over Problems

(CONTINUED FROM P. 1)

of medium-sized companies, relatively speaking.

"And no existing agency, or any that might be set up by government, is going to help any enterprise that is a poor financial risk.

"Speaking for retailing in Canada, we can see a limited 'credit gap'. Aggressive merchandisers who need to enlarge and modernize stores have difficulties arranging longer-term financing at practical rates of interest," he said.

Government action that would be welcomed by wholesalers and retailers: They want legislation by which the government would guarantee bank loans on a three-to-five-year basis.

How many businesses in Canada need such help?

According to a spokesman of the Retail Merchants' Association of Canada, about 20,000 retailers and wholesalers are in need of long-term capital finance help.

A 400-member group, the Canadian Small and Independent Business Federation, founded in November, 1958, has taken a strong position in representations to Ottawa.

With membership concentrated in Ontario but, represented from B. C. to Newfoundland, this group says five needs should be filled by Ottawa:

- **Small business needs access to equity financing.**

"When the supply of relatives and close friends dries up, they have no place else to go."

- **Long-term debt financing.**

"Too many owners of small businesses are forced to become minority shareholders or employees of the firms they started."

- **Taxation.**

Better tax break on early profits—"taxing the small business on the same basis as the largest corporation gives the little man as much chance of winning as if he was put on the ice to play hockey against Rocket Richard."

- **Industrial relations consultation.**

When a small manufacturer with 12 employees has a strike on his hands, he can be put right out of business. Everything he has in the world is tied up—notes personally secured at the bank, house mortgaged, money borrowed here and there and secured by his own good name."

- **Legal, financial, accounting help.**

"When a small business reaches a certain size, it has all of the problems of a big business and little professional counsel at hand."

J. B. Brien, secretary of the small business federation says it has been granted a charter for a credit union division.

In four months $80,000 in assets have been assembled from members which obtain assistance with mortgages, financing and "initial" legal and accounting advice.

A small business branch of the federal Department of Trade & Commerce has provided little help yet, said a number of the small businessmen.

And opinion was sharply divided, among those interviewed, as to whether or not this branch should set up offices across Canada to provide technical assistance.

"We would not like to see the government spend our money to allow civil servants to provide services less efficiently than can be given by trade associations," said an association head.

Few small business operators contacted thought the government should enter directly into solving the financial problems of small business.

"How would Ottawa decide which businesses to help? Where would the line be drawn? Could Ottawa be any more lenient in credit appraisal than existing lending agencies?" many of them asked.

It was evident, from talks with men and women who conduct diverse small business enterprises, that many special cases occur where established banking and lending agencies are not able to solve pressing financial problems — even though the businesses might have sound merit and potential.

However, the small business people I talked with do not consider that a large credit gap exists.

Apart from the need for financial assistance by retailers and wholesalers in the "somewhat larger than small" group, and a segment of those engaged in small manufacturing, processing and servicing whose growth has taken them out of the infant stage, it is difficult to find places where Ottawa's intervention could be justified.

Small businessmen say it is the pressure of competing, and the shrinking of gross profit margins — requiring them to adapt to the modern purchasing techniques of the big chains—that worry them most.

There is evidence of this strain.

Bankruptcies among small business were up sharply in the first quarter of 1960 compared with last year. Total liabilities to creditors took a huge jump.

Suppliers and wholesalers told FP that there is a "marked increase" in the number of NSF cheques being returned to them on account of small business.

Suppliers' accounts receivable are climbing, and some said their resources were being strained.

Said one small food processor:

"Does any small businessman really believe that our federal government is going to be a **'Big Brother' to those of us who** cannot move with the fast pace of the times?

"We are in the midst of a merchandising revolution—and only the willing and strong can survive."

The Outlook

(CONTINUED FROM P. 1)

make-work expenditures to an estimated $100 million from $75 million a year ago, if provincial and municipal governments prove willing to carry their share of the load).

* * *

One factor contributing to the decline in Canadian stock prices is the sharp drop in sales of Canadian stocks abroad.

Net sales for the first five months of this year, at $25 million, were only slightly above the $17 million net sales in the same period of 1958, when the recession was at its height. They were well below the 1959, 1957 and 1956 periods, when the five-month net sales totaled $66 million, $83 million and $76 million, respectively.

Net sales of $16.5 million to U. S. investors during the first five months of this year were less than one third of last year's $54.2 million for the same period.

Investors in the U. K. bought $26.9 million worth of Canadian stocks, sold back to Canada $23.4 million, thus leaving net sales of $3.5 million at the end of May.

Sales to the U. K. were higher than in similar periods in 1959 and 1958. But they remained well below the $57.9 million net sales in the first five months of 1957.

Here is a summary of Canada's trade in outstanding Canadian securities with other countries in the first five months of each year 1956-60:

* * *

Net Sales (+) or Net Purchases (—)

First 5 mos.:	Total	U.S. ($ million)	U.K.	Other countries
1960 ...	+25.0	+16.5	+3.5	+5.0
1959 ...	+66.1	+54.2	—3.6	+15.5
1958 ...	+17.1	+18.6	—2.4	+0.9
1957 ...	+83.3	+6.2	+57.9	+19.2
1956 ...	+75.6	+49.7	+11.9	+14.0

Life insurance sales this year to Canadians—the world's best insured people—are running below last year's, but insurance men say they are not worried.

Although this is the first time since 1948 that first-half sales have not shown a gain over the previous year, the insurers point out that 1959 sales increased by more than a "normal" amount as a result of the sale of a few very large group insurance contracts.

Confidently, they assert that the market for group life insurance in Canada is far from saturated.

M & O Paper 2nd Quarter Profit Lower

Minnesota & Ontario Paper Co., Minneapolis, Minn., earned net profit of $3,195,667 or $1.24 a share in the first six months of 1960 ($1.13 in first half 1959). The increase over last year's similar period was 9.6%.

Net sales for the period were $44,234,353, a gain of 1.4%.

Second quarter sales were $22 million ($23.2 million a year ago) and earnings per share 64c (67c).

Increase in first half results were due largely to increased shipments of specialty papers and newsprint, and to improved product mix, say Chairman J. B. Faegre and President Robert Faegre.

Diversification in the building product field, with higher unit profit margins, partially made up for a reduction in total volume. General demand for "Insulite" building products continued to lag behind last year, due to a 17% reduction in new residential construction starts.

Losses on Canadian dollar exchange remained an adverse factor in operations. Despite a declining premium on the Canadian dollar, company's exchange losses for the first six months of 1960 totaled $611,000 before taxes, 14.3% more than in the first half of 1959.

Exide to Produce Edison Batteries

Electric Storage Battery Co. (Canada), Toronto, has purchased the Edison alkaline storage battery business of Canadian Line Materials Industries Division, **McGraw-Edison (Canada) Ltd.**

Electric Storage Battery has not previously made or marketed nickel alkaline batteries. They will now be produced and marketed by its Exide Industrial Division.

Look For It Here

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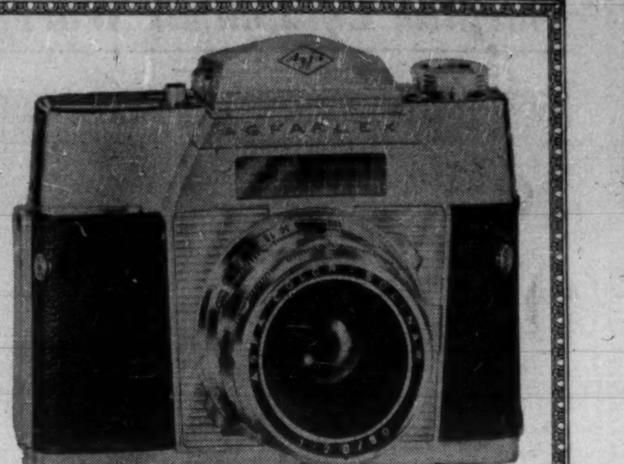
New Design Cars Ordered by CNR

MONTRAEL (Staff) — **Canadian National Railways** has placed an order with **Eastern Car Co.,** Trenton, N.S., subsidiary of **Dominion Steel & Coal Corp.,** for 80 steel flatcars.

Intended for service in Newfoundland, the cars will be delivered early in December.

Design of the cars makes use of considerable amounts of low-alloy steel instead of carbon structural steel.

While the cars will weigh 40 tons each, similar to others in service in the province, they will have 35% more capacity.



For Better Photography

'AGFAFLEX' CAMERAS

Versatile miniature reflex cameras boast interchangeable viewfinder system; waist-level hood viewfinder with focusing magnifier or prism finder. Aperture and shutter speed settings are coupled with the exposure meter independently of each other. Interchangeable lenses, ranging from a wide-angle to a long focus telephoto lens, all coupled with split-image rangefinder.

'Agfa' Color-Solinar f2.8/50 mm. lens with prism viewfinder, each $159

'Agfa' Color-Solagon f2/55 mm. lens with prism viewfinder, each $198

'Eveready' leather case, each $12

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GERMAN DEMOCRATIC REPUBLIC

Fishy Screw Driver And Puddle Pickers

(CONTINUED FROM P. 1)

other underground features, maker says.

* * *

BRUSH-OFF on way out? Push-button spray can replace the barber's traditional soft brush used to whisk away newly cut hair, maker says. Perfume oils can be added to the odorless and non-toxic compressed gas. Other suggested uses: Drying residue moisture on the skin, general duster around the shop, cool running clipper blades, or cool hot feet.

* * *

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* * *

STALE BREAD can be made fresh again in a special oven, Dutch maker says. Heat and steam pressure in the oven removes staleness. The condition of the crumb and the softness are again like those of new bread and the crust becomes crisp again. Total treatment time for loaves is about 10 min., for rolls, 5 min. Eighty to 90 loaves or 1,000 to 1,500 rolls can be renewed per hour.

* * *

NEW LITERATURE: Hinde & Dauch Ltd., Toronto: Booklet entitled "How to Seal Corrugated Shipping Boxes" . . . **Canadian General Electric Co.,** Toronto: 61-page floodlighting catalogue and 24-page Carboloy toolholder catalogue . . . **G. H. Woods & Co.,** Toronto: Folders on heavy-duty wet-dry vacuum cleaners and floor scrubbing and polishing machines . . . **Jeffrey Manufacturing Co.,** Montreal: Bulletin on conveyor belt idlers . . . **Uraco Inc.,** Chicago, Ill.: Booklet on services it offers in the design and production of business forms.

Waterman Pen Seeks Delisting

MONTREAL (Staff) — Investment men in Montreal have expressed their surprise at the reasons given by President H. J. Hoxby for wishing to have the stock of his **L. E. Waterman Pen Co.** delisted.

Hoxby indicated to shareholders that if this proposal were carried out, Waterman stock would in future be largely traded over-the-counter in the U. S.

In recommending to shareholders that they approve removal of the stock from trading on the Canadian Stock Exchange, he said that most of the stock is now U. S.-owned, and that the existence of two markets was disadvantageous to shareholders.

He indicated that the present situation seriously limits the number of U. S. security dealers willing to make a market for Waterman stock.

At mid-week, Waterman stock was trading at $4¼.

A special meeting of shareholders has been called for Aug. 11 to vote on the proposals to increase authorized capitalization by 400,000 npv common shares to 1.3 million shares, and to remove the stock from trading on the CSE.

WATER SURVEY

The Ontario Water Resources Commission has started surveys of water resources in the counties of Peel and Wentworth. Field studies in four additional counties or districts are scheduled for this summer. The surveys examine existing water supplies, uses and needs and predict future requirements.

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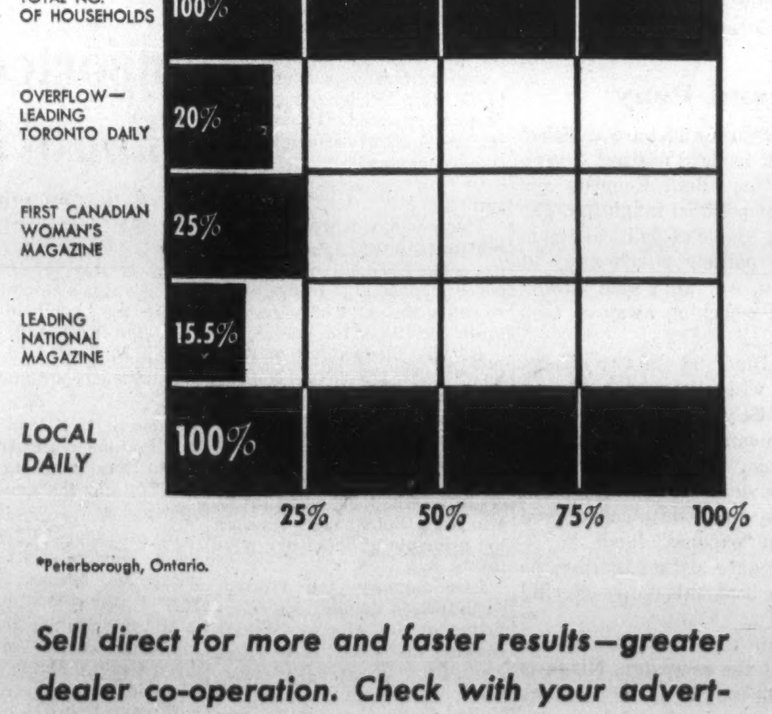

*Peterborough, Ontario.

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Yanks Mad, So Are We On Defence

The production-sharing deal has fallen far short of expectations, causing irritation on both sides of the border.

One stumbling block is Ottawa's stalling on the proposed F-101-CL-44 swap.

From Our Own Correspondent

WASHINGTON — The Canada - U.S. defence industry "marriage" is in the doldrums.

Production sharing is not increasing.

Some Ottawa officials are mad at the Americans, claiming Canada has been led down the garden path on a number of deals.

Some in Washington are equally mad at the Canadians for being so slow in making up their minds on certain deals.

So far, production sharing is moving along at about the same clip as last year — that is, about $100 million a year in primes and subcontracts from the U. S.

This is about 20% more than Canadian industry was getting before the Canada-U. S. agreement — signed 18 months ago with much fanfare.

It is, however, far less than what had been hoped for.

To try to smooth over the increasing unhappiness on both sides, a re-affirmation of the principle of production sharing has been made in Washington. A public announcement may be made shortly both in Ottawa and Washington.

But if no more flesh is put on production sharing — in the form of new and bigger deals, it means disappointment for Canadian industry.

It also means there will be no increase in jobs from U. S. defence orders and that may hurt if Canadian employment drops again this winter.

Basically, this is the trouble, as seen from this side of the border:

- **Canadian companies are not selling hard enough.**
- **Canadian companies frequently price their product too high.**
- **Ottawa has been notoriously slow** to make up its mind on the biggest of all production sharing deals — the swap deal under which the U. S. would buy CL-44 air cargo planes and Canada would buy F-101 fighters for our nine NORAD squadrons. This could bring $150 million or more in orders to Canada.
- **There have been a few incidents** where Canadian companies thought they had the low bid on a Pentagon order, only to find a last-minute U. S. bid undercutting them.

This has led to some accusations of "leaks" to favorite U. S. companies, but in any event, it has been a relatively minor factor in deterring Canadian firms getting Pentagon orders.

The new U.S. budget has money that will send subcontracts to **Canadair** for Bomarc wings and ailerons, to a large number of Canadian electronics firms for as much as $40 million in communications equipment, to **DeHavilland** for $16 million worth of Caribou transport planes, and to a host of other Canadian companies, big and small.

But these orders will be only enough to keep production sharing at the present $100 million a year clip.

The only place for a dramatic increase is in a Pentagon order for the CL-44.

The order, however, only will be placed if Ottawa agrees to replace the aging CF-100's in our NORAD squadrons with the U. S.-made F-101.

This deal has been on the fire for nearly half a year, but still no Ottawa decision.

The cabinet is divided on it, with External Affairs Minister Green and Trade and Commerce Minister Churchill opposing any swap deal.

They apparently find it too politically risky for the government to buy a U. S.-made plane after scrapping the CF-105 Arrow.

This indecision not only has exasperated the RCAF, but Canadair and NORAD as well, and has caused considerable anger at the Pentagon over Ottawa's inability to fish or cut bait on the deal.

If a decision is not forthcoming within the next couple of weeks, the Pentagon may give the fat order for the air cargo planes to a U. S. firm.

A golden opportunity to put some real flesh on production sharing may go down the drain.

Canadian firms also have not shown as much enthusiasm for research contract work with the Pentagon as had been hoped.

The Canadian companies prefer a "hardware" order. In some cases where firms did reseach jobs, the production order went to a U. S. company and this has soured the Canadian researchers.

Unless Canadian firms get enough orders to keep busy, they will lose much of their engineering talent. The Canadian aircraft industry has been losing talent to the U. S.

If, for example, the CL-44 swap deal does not go through, it may well be a critical blow for Canadair. Not only would it lose considerable talent, it might not be able to finance a major project such as this again. Thus, Canadair has a lot riding on the CL-44 swap deal.

An increasing number of Canadian companies looking for U. S. defence business are sending representatives on trips to Washington. A few have established offices in Washington.

Most companies, however, get discouraged when, after a three-day visit, their salesmen don't come home with a pocketful of orders. It takes more than one trip to Washington to get Pentagon orders.

Works Jobs In Ontario Top $711,000

Ontario Department of Public Works awarded contracts totaling $711,590 in July.

The contracts:

Burlington, provincial police headquarters building and garage, **Grassie Construction Co.,** Port Colborne, $247,140.

Burwash, sewage disposal plant and water supply system, **Carrington Construction Co.,** Sudbury, $163,082.

Cedar Springs, roads, sidewalks, drainage works, **Dinsmore Construction Ltd.,** Windsor, $126,698.

Downsview, roads, pavement, curbs, for driver examination building, **K. J. Beamish Construction Co.,** Thornhill, $16,087.

Haileybury, storm drainage work at the mining school, **Liskeard Construction Ltd.,** $5,440.

New Liskeard, sanitary sewer, storm sewer and watermain work at a demonstration farm, **Camsall Electric Co.,** New Liskeard, $17,017.

North Bay, laundry building, Ontario Hospital, **Sterling Construction Co.,** Windsor, $9,817.

Toronto, track drapes and sun curtains, Ontario Hospital Services Building, **Paul A. Stocks Ltd.,** Toronto, $22,186.

Wawa, steel patrol garage for Department of Highways, **Welcon Ltd.,** Guelph, $52,205.

Woodstock, incinerator building, Ontario Hospital, **McKay-Cocker Construction Ltd.,** London, $25,632.

Here's What to Expect If Nixon Gets Elected

By C. KNOWLTON NASH

WASHINGTON — If Richard Milhous Nixon is the next U. S. president, Canadians can expect plenty of Cold War shivering.

But Canadians also would see less economic experimentation and less force-feeding of the economy than under a Democratic president.

Here is what Canadians can expect if Nixon becomes the next U. S. president:

- **He would get rid of more U. S. farm surpluses,** especially wheat, on the world market. But he may not move out quite so much as a Democratic president would. Thus he might be the lesser of two evils so far as Canadian farmers are concerned on this matter.
- **He would stimulate more home-building** through federal funds than at present. This would benefit the Canadian lumber industry, but a Democratic president would be likely to do much more in this field and thus be of even greater benefit for our lumbermen.
- **He would continue the present U. S. trade program,** although he would be more receptive to protectionist demands, especially if those demands came from politically important regions.
- **He probably would put more emphasis on offensive military weapons** and less on defensive equipment which could well mean a relative downgrading for NORAD.
- **He would take a "talk tough" line** with the Russians and with anybody else (e.g. Cuba's Castro) whom he felt was hindering U. S. policies. This would mean many a difficult moment for Ottawa's East Block.

There is little doubt that a Nixon administration would launch a "be beastly" to the Russians program.

Vice-presidential candidate Henry Cabot Lodge, an urbane, literate, saloon fighter who has been talking tough to the Russians at the UN for 7½ years, would strongly urge such a line, as would Nixon himself.

For Secretary of State in a Nixon government the present Under Secretary, C. Douglas Dillon who, like Lodge, has a reputation of arrogance, is a leading candidate, as is Thurston Morton, chairman of the Republican Party. Both Dillon and Morton would intensify the "talk tough" line.

In fact, the U. S. attitude might well be somewhat more severe than under the late Secretary of State John Foster Dulles and without the Dulles brains.

That prospect should start Canadian diplomats shivering.

There is a remote prospect, though, that New York Governor Nelson Rockefeller might get the job and that would be an entirely different kettle of fish.

It is apparent that during the campaign, Nixon and the Republicans will equate talking tough to Moscow with patriotism and also equate criticism of this line with un-Americanism, or worse.

Once in office, a Nixon administration would reduce at least the immediate prospects of any rapprochement with the Soviets.

One fascinating possibility in a Nixon Administration might be a movement toward regional economic and political groupings.

Nixon is not too strong on this, but if pushed by the politically-potent New York Governor Nelson Rockefeller as he was in their famous "14 points agreement," a President Nixon might push for these "confederations."

It would mean formation of a Western Hemisphere community, including the U. S., Canada and Latin America or possibly a North Atlantic community linking the U. S., Canada and Europe.

Similar confederations would be urged for Latin America, Africa and Asia.

This has immense political and economic complications for Canada as well as the other nations, but Rockefeller, and Nixon under his urging, believe this is the next step in history.

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N. B. Plans To Link All Hospitals

From Our Own Correspondent

SAINT JOHN — An administrative procedure which will link all hospitals in New Brunswick has been proposed by the New Brunswick Hospital Services Commission.

Ultimate objective is to provide:

- **District and community hospitals** with 4.5 beds per 1,000 population.
- **Regional hospitals** with 4.5 beds per 1,000 population, plus one additional bed.
- **Base hospitals** with 5.5 beds per 1,000 population.

The commission says that organization will be on four levels to allow a two-way flow of patients between hospital units.

Patients admitted to small hospitals and requiring more extensive treatment will be transferred to larger units for diagnosis and treatment if necessary. Others will move down to the smaller units.

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Enthusiasm Wanes in U.S. For Roe's 'Flying Saucer'

From Our Own Correspondent

WASHINGTON — Another month may make or break the **A. V. Roe** "flying saucer".

The "saucer" has been losing favor in recent weeks at the Pentagon.

A number of "bugs" remain in the highly sophisticated VTOL (vertical take-off-and-land) craft.

One is still undergoing wind tunnel tests in California and the other is at the Roe plant in Toronto.

The testing is due to end in mid-August. It'll take at least a couple of weeks for evaluation. Meanwhile, the entire VTOL field was reviewed by Pentagon specialists and outside scientists this week at a meeting in San Diego.

Another Canadian entrant has come into the VTOL field.

Canadair in Montreal has proposed a tilt-wing VTOL craft. It has submitted proposals to the Pentagon and a series of meetings have been held on the project.

There is not too much enthusiasm at the moment. The Army feels the tilt-wing plane might produce too much downwash. The Air Force and the Marine Corps, however, look a little more kindly on the idea. But no money has been tossed into the pot as yet.

The Pentagon has been a little unhappy about the Roe saucer's performance, although it always has been enthusiastic about the idea of such a plane.

About half a million dollars is being put into the project this year for what one official told **FP** was a "wrap up".

After this money is spent, if the "saucer" has not proven itself, the whole project might be junked.

The Army now feels any plane in this VTOL field to be useful will have to have at least a four-ton carrying capacity.

None of the vehicles under consideration are big enough to take this heavy a load.

The U. S. Air Force still maintains its interest in the Roe "saucer" study project in which scientists are determining if the vehicle could be turned into a 1,400 mph fighter plane with all-weather capability that can fly high or low. But if the U. S. Army drops the "saucer" project, the Air Force likely will follow suit.

'Could be Better' O'Hurley Reports

OTTAWA — Defence Production Department estimates $96 million worth of U. S. defence contracts were let in Canada during the last year of the sharing program.

Defence Production Minister O'Hurley said about $35 million more has been contracted for so far this year.

"The situation could be much better," he observed.

City, Industry Will Contest Water Charges

From Our Own Correspondent

SAINT JOHN—City of Saint John will go to the courts to test the validity of a water agreement it signed in 1958 with **Irving Pulp and Paper Ltd.**

The city wants to raise the rate charged to the company for water under the agreement.

Meanwhile Saint John is going ahead with a multi-million-dollar water system expansion designed to provide the pulp and paper firm with 30 million gal. per day.

Contracts for the job — which may cost up to $7 million before it is completed — are being let.

Under the agreement the firm would pay 1c per 1,000 gal.

Legal advisor for the city — J. Paul Barry — says that the general consumption rate is 17c per 1,000.

The city is seeking to have the rate charged the pulp and paper firm raised to 4c or 5c per 1,000.

L. A. Cooper, director of assessments for the city, says that if the agreement is carried out as written, the city tax will have to raise general water rates by 20%.

If the city provides for a 10 million gal. per day surplus for further expansion, the general rate will have to go up 35%, he says.

Long Point Gas Pushing Program At Port Maitland

Operations of **Long Point Gas & Oil Ltd.** this year have been concentrated entirely in the Port Maitland area of Lake Erie.

Up to July 21, 1960, six wells had been completed, all of which proved to be economic producers, President M. A. Cooper states.

Average initial open flow of these wells is said to be 1,645,000 cu. ft. daily. The seventh well will likely be completed within 10 days and the eighth in two weeks.

The market for gas in the Port Maitland area is expanding rapidly and **Union Gas Co.** has recently contracted to purchase from the company substantial quantities of gas on a take or pay basis.

Union Gas is constructing a 6-in. pipeline, which has a capacity of about 12 million cu. ft. daily.

Long Point has made financial arrangements with its bankers which, combined with present working capital, are expected to provide adequate funds to complete this year's development program.

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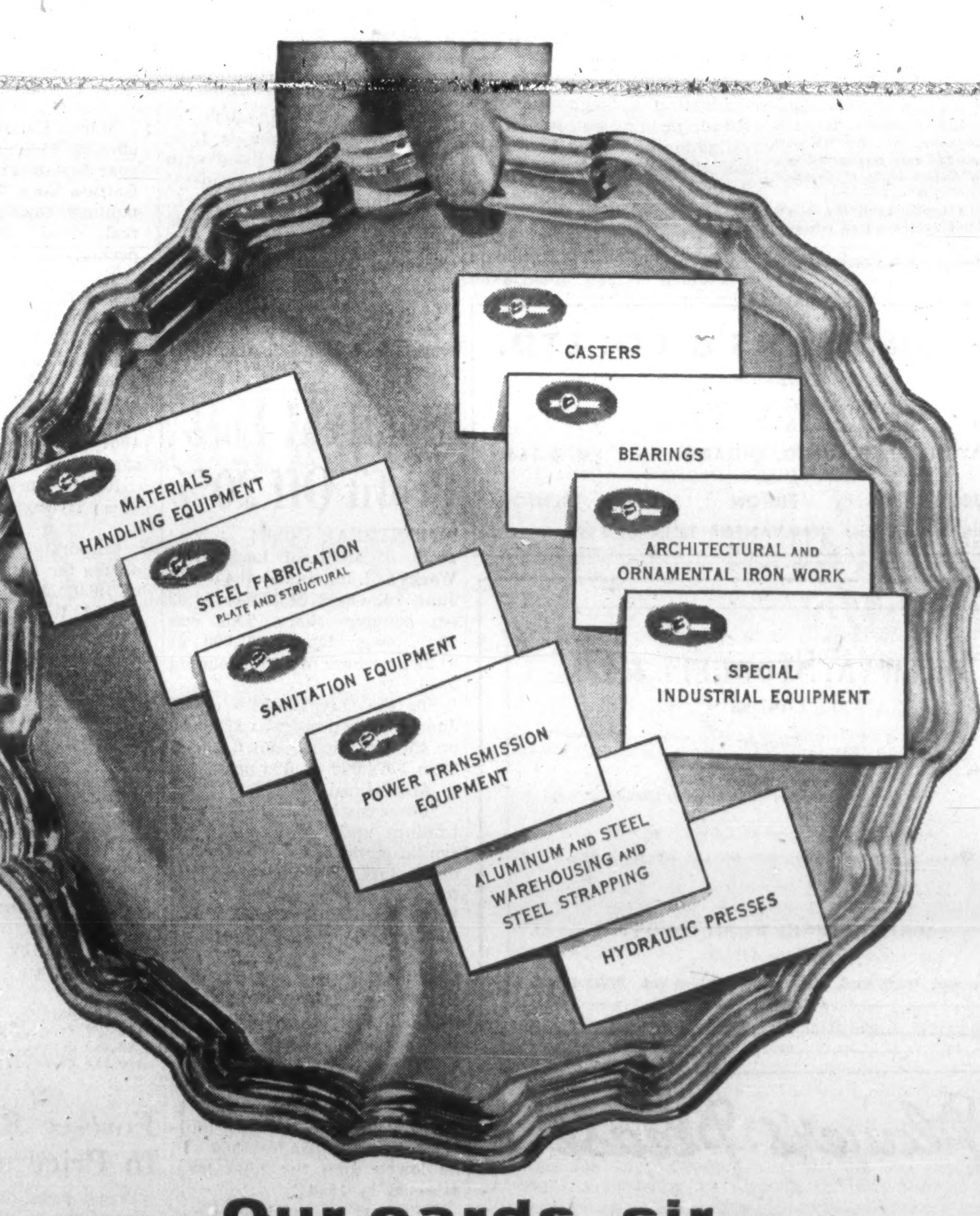

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Du Pont Net Up 2% Sales 12% in Half

MONTREAL (Staff) — Net profit of **Du Pont of Canada Ltd.** for six months ended June 30 was $3,680,000, up slightly from $3,665,000 in first half of 1958.

Earnings per share were 50c (49c a year ago).

Net sales at $49,805,000 were 12% higher, despite reductions in selling prices over the last 18 months.

Shipments were 20% greater, company reports. Gains were made by all manufactured products and export business improved.

While lower selling prices tended to offset the benefits of increased business, largest item affecting profits has been the preliminary manufacturing costs at the new polyethylene resins plant near Sarnia, Ont.

Initial production of evaluation quantities of resin was achieved in June and testing of new material for its various commercial uses is proceeding, company says.

Six mos. ended June 30:	1960	1959
	$000	
Net sales	49,805	44,523
Add: Other income	49	37
	49,854	44,560
Less: Costs, expenses	38,907	33,703
Depreciation	2,989	2,881
Interest	228	216
Current taxes	3,695	3,793
Future taxes	355	302
Net profit	3,680	3,665

Credit Foncier Revenues Rise

MONTREAL (Staff) — Gross profits of **Crédit Foncier Franco-Canadien** for the period Jan. 1 to June 15 were approximately 4% higher than in corresponding 1959, company reports. Actual figures were not disclosed.

Expenses during the period were almost unchanged.

According to the unaudited financial statement, total assets at June 15 were $92,572,325, up 0.5% from $92,049,880 at Dec. 31, 1959.

Mortgages and agreements for sale amount to $78,021,635 against $77,788,110.

Debentures and short-term notes of the company amount to $55,037,933, compared with $55,575,456 at Dec. 31, 1959, a decrease of $537,523 or 1%.

Authorized capital stands at 636,000 npv shares of which 424,000 are issued and fully paid, with a book value of $10,226,527.22.

Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By P. T. DURRANT

SIGNS THAT the low point in steel production may have been passed have had little impact yet on stock prices. Operating rate of Canadian steel mills has been climbing recently—in latest reported week it was just over 85% of capacity—but market prices remain weak.

Two stocks—**Steel Co. of Canada** and **Algoma Steel**—posted new 1960 lows recently. A third, **Dominion Foundries & Steel**, leveled off at a previously established low, later firmed moderately.

Among the basic producers, Stelco is the first to report half-year earnings. Net was down quite sharply to $2.66 per share from $3.61 in first six months of 1959, despite a small increase in sales ($156.2 million vs. $154.3 million). The specialty steel maker, **Atlas Steels,** netted $1.56 per share in first-half 1960, vs. $1.62 a year ago.

Industry observers say there are no indications yet of either a near-term pick-up in demand, or a further drop in demand.

Here's how the major steel stocks have been trading:

	Recent price $	2 wks. ago $	Early May $	1960 High $	1960 Low $
Algoma Steel	30⅜	32	34	40½	30
Dom. Foundries	40⅞	40½	44	52	38½
Dom. Steel	11½	11½	13	15⅞	11
Steel Co. of Can.	63¼	69	73	87¾	62¾
Atlas Steels	20⅜	20	23	28	19½

Market weakness extends to steel fabricators and firms in the heavy goods industries. **Montreal Locomotive,** after holding steady around $15 since mid-June, slipped to a new low of $14½ early this week. High for the year: $18. Company reported net profit of $1.03 per share for first six months of 1960 ($1.29 a year ago). **National Steel Car** retreated to a low of $11¼ from $12½ before edging up to $12. The stock earlier this year jumped to $19¾ from the $14 level prior to confirmation of its deal with **Stanton Iron Works Co.** (**FP**, May 21).

Elsewhere, **Page-Hersey Tubes** at mid-week price of $20⅝, is up slightly from the recent low of $20¼, having dropped nearly $3 since early July. Three months ago, the shares were selling at $26.

* * *

Automobile stocks sag as production is cut back while plants prepare for model change-overs. **Ford Motor Co. of Canada** gave up $1 to a new low of $124 early this week. **Ford Motor Co.** (U. S.) recovered to $63¼ after dipping to $59½ from $66¼ during July, while **General Motors** set a new low of $41¼, down from $44 (recent price: $42¼). **Chrysler Corp.,** infrequently traded on local boards, settled at $42, down from $45.

News that **Aluminum Co. of America** had raised some of its prices for aluminum sent Canadian producers' stocks down slightly before they picked up small gains. **Aluminium Ltd.,** down $1 at a new 1960 low of $27¼, had recovered to $28¼ early this week. **Canadian British Aluminium** dipped to $8⅛ then firmed to $8½ (two weeks ago, the stock was selling at $9½).

Southam Co. shares recovered from last week's low of $18½ to move up to $20¾. Since listing May 24, following four-for-one stock split, the shares have traded in a narrow range. High to date: $21½. The old stock had traded between a high of $87, a low of $76 this year.

Company recently reported half-year net earnings of 64c per share (69c in like 1959 period) and announced purchase of **Hugh C. MacLean Publications Ltd.** for an undisclosed amount.

Stock of **British American Oil Co.** shows little change (recent price $25⅛) following report of improved earnings in first half this year as compared with a year ago (67c per share vs. 41c). However, as president E. D. Loughney points out, approximately $2 million (or about 10c per share) of the increase over last year was non-recurring income from sale of tank cars and liquidation of certain investments. A small decline in net sales and other operating revenue was more than offset by lower expenses.

Dominion Stores continues to find favor among buyers, climbing to a new high of $60 early this week before easing to $59¾. The stock has gained nearly $5 in a week. Low point for the year ($41) was posted early in March.

Dominion Steel & Coal Corp has changed its fiscal year-end to Dec. 31 from July 31. Its parent, **A. V. Roe Canada Ltd.,** is considering a similar change. If it so decides, both year-ends will coincide with the year-end of U. K. parent, **Hawker-Siddeley Group.** This is the second change in less than three years for Dosco (it previously switched from Dec. 31 year-end to July 31). Dosco's financial statement for 12 mos. ended July 31, 1960, is expected early in October.

A. V. Roe's stock remains below $5 (recent price: $4.85) after sliding down from the 1960 high of $6⅞.

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CONTROL COMMITTEE

National Research Council has formed an Associate Committee to deal with national problems in the field of automatic control. Chairman is Dr. J. Ham, professor of electrical engineering, University of Toronto.

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APPOINTMENT ANNOUNCED

JOHN BLIGHT

The appointment of John Blight as Treasurer of Interprovincial Pipe Line Company, effective August 1, 1960 has been announced by T. S. Johnston, President. Mr. Blight succeeds D. G. Waldon who was appointed Assistant General Manager last year. Mr. Blight will take up his new duties as Treasurer in the [illegible] on or about October 1st.

Mr. Blight has been with Interprovincial and its U. S. subsidiary, Lakehead Pipe Line Company, Inc., for the past ten years, and had seen service in South America with Andian National Corporation before joining Interprovincial.

Prior to his appointment, Mr. Blight had been Chief Accountant of Interprovincial.

United Loan Interest Unpaid Investment Firm Closes

MONTREAL (Staff) — A 44-year-old Montreal bond and stock brokerage firm, **Crédit Anglo-Français,** has closed its doors.

Last week Credit Anglo resigned from the Montreal and Canadian Stock Exchanges and the Investment Dealers' Association of Canada because its working capital position no longer met exchange and IDA requirements.

The resignations, **FP** understands, were due to the close association between Credit Anglo and **United Loan Corp.** whose management has been put in the hands of an outside group (**FP**, July 30). United Loan this week failed to pay interest due Aug. 1 on some of its debt.

Officials of Credit Anglo told **FP** the stock brokerage end of the business was being closed. It was hoped, they added, that the bond business could be resumed at some future time.

For the present, Credit Anglo is adopting a "wait and see" attitude pending outcome of investigation of United Loan's financial position.

At mid-week **Laurentide Acceptance Corp.** — at the request of two trustees, **General Trust of Canada** and **Societe Nationale de Fiducie** — had undertaken management of the affairs of United Loan Corp.

Laurentide has put its personnel in United's head office and each of its branches. Independent auditors have been called in.

First task, Laurentide officials report, will be to determine the extent and nature of United's financial problems.

United is a small Montreal-based installment finance company, class A shares of which are listed on the Canadian Stock Exchange.

Shares reached a high of $23 late last month and receded to $20. No shares of United Loan A have traded in the past 10 days and at mid-week the stock was quoted $20 asked, no bid.

Control of United Loan has been held by the same group that controls Credit Anglo-Français, **FP** understands.

United Loan directors are C. E. Lavigne, president; J. R. Blain, vice-president; and Laurent Desroches, secretary, all of Montreal.

Officers and directors of Credit Anglo - Français Ltée. (the bond end) are listed with IDA as C. E. Lavigne, president; P. Gonthier, vice-president; L. Desroches, secretary; R. Blain, treasurer; C. de Milette and G. Casavant, directors. MSE lists officers of Credit Anglo-Français Inc. (the stock end) as L. Desroches, president; F. Jubin, secretary and C. Bruneau, treasurer.

Note

By VINCENT EGAN

BOND MARKETS rallied in the U. S. on news of the Treasury's latest cash refunding. Apparently betting on lower interest rates ahead, the Treasury offered $1,000 million 3⅞% eight-year bonds and $7,750 million 3⅛% 11½-month certificates, instead of the long-term bond that many U. S. bond men had been anticipating.

The new securities replace $10.4 million debt maturing in August, and held largely by the Federal Reserve System.

There are signs of an improvement in the Canadian bond market as well. The reduction in dealers' inventories in the banking system has already served to strengthen the short-term bond market here.

* * *

An offering of $7.5 million **Industrial Acceptance Corp.** 6% 20-year secured notes at par has been made by **Greenshields & Co.** The issue is designated as Series W.

Shareholders will vote Aug. 17 on directors' proposals to expand IAC's lending powers and to develop additional business, "particularly in the commercial and industrial fields".

* * *

Marc Carrière Ltée. is offering $1.3 million 7% 10-year first mortgage bonds of **Gattuso Corp.** This is the first public financing by the Montreal food processor and packer.

* * *

Canadian Hydrocarbons Ltd. will offer $3 cash for each of the 130,000 **Canadian Propane Ltd.** shares it does not already hold, plus warrants to buy one share of Hydrocarbons at $10 until March, 1961, for each 3 1/3 Propane shares.

Recent prices: Propane, $2¼; Hydrocarbons, $10.

Corporate debt financing during the first seven months of 1960 totalled $402,265,000, or 2.2 times the January-July, 1959, total of $180,277,550, according to the monthly **Wood, Gundy** summary.

July's corporate issues amounted to $26 million vs. $20.5 million a year earlier.

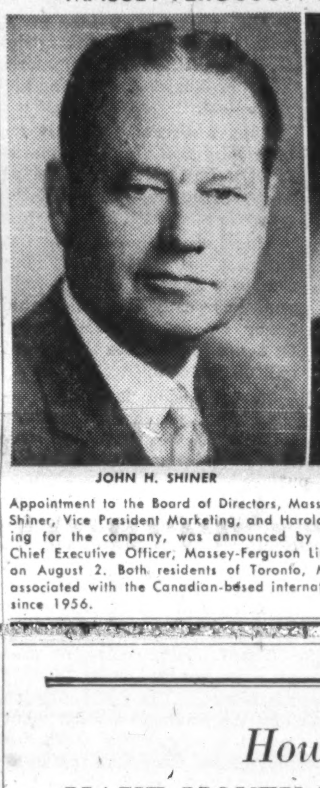
* * *

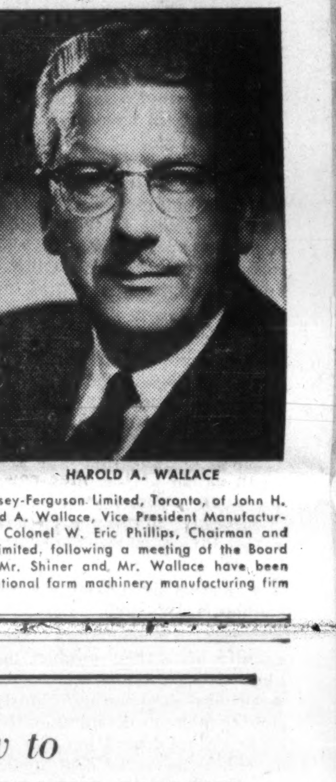
Acceptance companies have reduced their rates on short-term collateral trust notes by 0.25%. Further reductions would not be surprising, in view of the current downtrend in interest rates.

Here are the new rates being paid by three of the biggest firms:

Maturity	Rate
30 - 89 days	3¼%
90-179 days	3½%
180-269 days	3¾%
270-365 days	4%

MASSEY-FERGUSON ANNOUNCEMENT


JOHN H. SHINER


HAROLD A. WALLACE

Appointment to the Board of Directors, Massey-Ferguson Limited, Toronto, of John H. Shiner, Vice President Marketing, and Harold A. Wallace, Vice President Manufacturing for the company, was announced by Colonel W. Eric Phillips, Chairman and Chief Executive Officer, Massey-Ferguson Limited, following a meeting of the Board on August 2. Both residents of Toronto, Mr. Shiner and Mr. Wallace have been associated with the Canadian-based international farm machinery manufacturing firm since 1956.

How to

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Bank of Nova Scotia Rights

Anyone who bought 100 shares of the BANK OF NOVA SCOTIA back in 1945 and exercised all his Rights would today have 225 shares at a total cost of $7,790 and a current market value of $12,993.75. He would have received $3,353 in dividends and his yield on his average cost at today's dividend rate of $2.30 would be 6.64%.

Sure, hindsight looks good. But you can start putting your dollars to work right now.

A Rights offering is a good time to buy and the BANK OF NOVA SCOTIA is now offering Rights, expiring next September 16, to its shareholders to buy one new share at $42 for every four shares held. You can buy the stock directly or through Rights,—you can also pay for your shares acquired through Rights, on the instalment plan.

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WINDSOR WINNIPEG HAMILTON CORNWALL PORT HOPE

Montreal Loco Profit Off 20%

MONTREAL (Staff) — Net profit of **Montreal Locomotive Works Ltd.** for six months ended June 30 was $721,000 or $1.03 per common share. This was 20% lower than $901,000 or $1.29 per share in corresponding 1959.

For the three months ended June 30, net profit was $315,000 or 45c per share, down 33.5% from $474,000 or 68c per share in April-June, 1959.

"Forecasts of railway car loadings and requirements for capital equipment by heavy industry are still not optimistic for the balance of the year," President W. F. Lewis and Chairman P. T. Egbert say.

"Company's backlog of unfilled orders amounts to $3.6 million, compared with $8.7 million included in our report for the first quarter.

"While the situation with respect to capital equipment requirements could change quickly, the present outlook indicates that earnings for 1960 will be lower than the high level attained in 1959."

Half-year financial results in detail:

January-June:	1960	1959
	($000)	
Net income before taxes	1,350	1,830
Less: Provision for income taxes	629	928
Net profit	721	902

START MAINE SPAN

From Our Own Correspondent

SAINT JOHN — Work has started on the building of a bridge and causeway to link Campobello Island with Maine. **Dexter Construction Co.** is at work on the Canadian (island) end of the project. Tenders will be called this autumn for the center bridge which will be anchored to a causeway at either end. The whole job will cost more than $1 million.

Foresee Reduction In Price of Coal

Faced with loss last year of sales of one million tons of bituminous coal, mostly to industries in Northern Ontario that switched to natural gas, coal dock operators and coal-hauling railways are planning price action to conserve their markets.

Representatives of 10 U. S. railways, the **CNR, CPR** and the Canadian Commercial Coal Dock Operators' Association, meeting in Toronto, agreed that lower railway freight costs were needed to meet competition from gas on a "dump price" basis.

But any reduction in coal prices could not come until after the close of the current navigation season, because adjustments in freight rates could not become effective earlier, it was stated.

Form New Quebec Council For Economic Development

MONTREAL (Staff) — Long-range planning to further develop Quebec's expanding economy will be the aim of a new provincial organization.

Called the Economic Planning and Development Council, it will be established soon by Premier Jean Lesage, implementing an election promise.

It will:

- **Undertake continuing studies** of economic and industrial development.
- **Advise** the government on policy.
- **Propose** works to alleviate unemployment.

Assisting the council will be a bureau of Economic and Scientific Research and an Industrial Development Bureau.

Among the council's responsibilities will be a master highway plan.

Agreement with Ottawa on federal aid will enable Quebec to participate in the Roads to Resources program as well as the Trans-Canada Highway.

The council will include representatives of labor and industry, engineers, economists and others. It is expected one of its first tasks will be to advise the Quebec government on creation of a Department of Natural Resources.

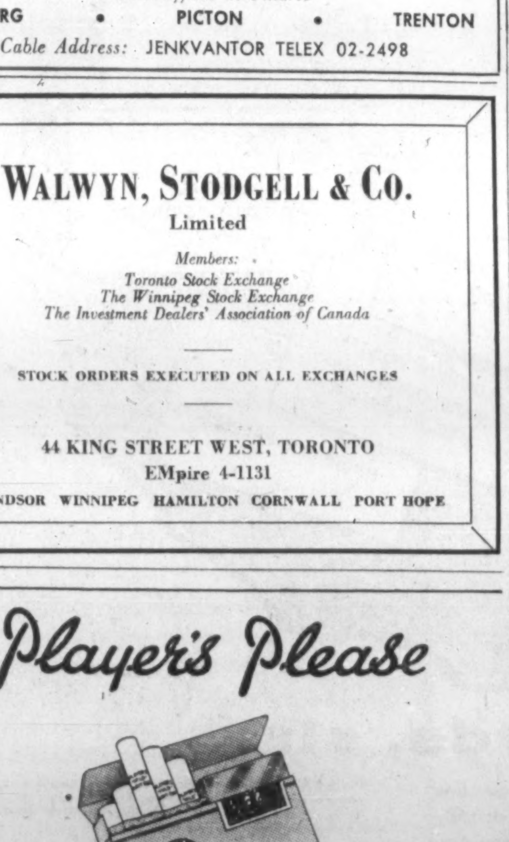
This department will:

- **Encourage** establishment of heavy industry in the province with financial assistance from the government, if necessary.
- **Stimulate** investment by Quebeckers in natural resources.
- **Assure** ownership and development by Quebec Hydro of unharnessed hydro-electric power where economically feasible.

The government intention to "stimulate establishment of new industries in distressed areas and in areas not industrialized" might speed development of the South Shore opposite Montreal and the Lower St. Lawrence region.

NHBA GRANT

Central Mortgage & Housing Corp., has made a grant not to exceed $13,500 to National House Builders Association for technical research in construction of housing. Grant will allow NHBA to develop, construct and test its third budget research house and continue studies on the two research houses previously constructed.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THE MILDEST BEST-TASTING CIGARETTE

ANNOUNCEMENT

OSLER, HAMMOND & NANTON LIMITED

WARREN A. DAKIN, JR.

W. DOUGLAS CROWE

JOHN C. HAMMOND

Osler, Hammond & Nanton Limited announces the following promotions in its Investment Securities Division, effective 1 August, 1960: Warren A. Dakin, Jr., appointed Supervisor for British Columbia; W. Douglas Crowe, appointed Manager of the Vancouver office; John C. Hammond, appointed Manager of the new Victoria office. Mr. Dakin was formerly Manager at Vancouver, Mr. Crowe, Assistant Manager at Vancouver and Mr. Hammond, Sales Manager at Calgary.

Offices of the Investment Securities Division are located in Toronto, Winnipeg, Saskatoon, Regina, Edmonton, Calgary, Vancouver and Victoria.

Union Ups Bid, United Fuel B Told Sit Tight

Holders of class B shares of **United Fuel Investments Ltd.** have been urged by the chairman of the recently-formed United Fuel Class B Protective Committee to disregard the latest offer of **Union Gas Co. of Canada.**

"This offer is considered by a large group of the Class B shareholders to be grossly inadequate in relation to the book value of the Class B and its right to participate fully with the common in any distribution of earnings," George A. Fallis, chairman of the protective committee, writes in a letter to B shareholders.

The first offer to acquire the outstanding shares of United Fuel was made by Union Gas July 12.

The basis of exchange offered at that time was one 6% cumulative preference share of Union Gas and $6 cash for each 6% cumulative class A preference share of United Fuel and 2½ common shares of Union Gas for each non-cumulative class B preference share of United Fuel.

In the latest bid Union Gas now offers a straight cash payment of $2.50 to B shareholders in addition to the 2½ common shares of Union Gas. The exchange offer to class A shareholders remains the same.

Announcing the higher offer United Fuel general manager T. P. Pinckard states it was made "in view of changed conditions" since first offer was made. The United Fuel common shares are almost fully controlled by Union Gas.

Union Gas directors intend to proceed with steps necessary for dissolution of United Fuel after expiration of the exchange offers to the United Fuel shareholders.

The recently revised offer will be mailed to all registered shareholders of United Fuel as soon as details can be completed, and will remain open until Sept. 30, 1960.

"After careful engineering studies, we are firmly convinced that the value of your investment in United Fuel is greatly in excess of the offer now put out by Union Gas and you are strongly advised to disregard it," the letter from the protective committee says.

"You may have noted that the class B dividend of $1 per share since 1951 was not paid in 1960 although the natural gas utility business in Ontario is growing rapidly and **Consumers' Gas Co.**, Toronto, has just increased its dividends," the letter says.

On the basis of current market prices for Union Gas common shares the offer to United Fuel B shareholders would work out at around $36¼ per share.

How Earnings of 48 Firms Compare

Six months ended June 30

	1960 $	1960 per share $	1959 $	1959 per share $	Change %
Pulp & Paper					
Abitibi P. & P.	6,054,403	1.40	5,320,524	1.22	+13.8
Consol. Paper	7,403,777	1.25	6,028,588	1.17	+22.8
Crown Zellerbach Can.	4,667,000	0.62	3,856,000	0.45	+21.0
Fraser Cos.	1,715,159	0.77	1,766,361	0.79	—2.9
St. Lawrence Corp.	2,832,600	0.56	2,302,500	0.44	+23.0
Public Utilities					
Bell Telephone	25,913,578	1.23	23,607,032	1.21	+9.8
Lower St. Lawrence Power	276,643	1.14	252,623	1.02	+9.5
Quebec Power	816,737	1.16	775,491	1.11	+5.3
Saguenay Power	641,165	3.05	701,123	3.33	—8.6
Shawinigan W. & P.	7,159,131	0.80	6,300,152	0.70	+13.6
Metals & Mines					
Aunor G. M.	288,800	0.14	214,400	0.11	+34.7
Campbell Red Lake	789,429	0.20	845,099	0.21	—6.6
Cons. Disc. Yellowknife	435,210	0.16	433,218	0.16	+0.5
Consol. M. & S.	13,290,000	0.81	8,564,000	0.52	+55.2
Denison Mines	10,482,000	2.34	7,766,000	1.74	+35.0
Faraday Uran.	1,066,000	0.24	637,000	0.15	+67.3
Geco Mines	3,155,000	1.05	2,259,000	0.75	+39.7
Hallnor G. M.	143,100	0.07	223,200	0.11	—35.9
Hudson Bay M. & S.	5,813,792	2.11	4,401,388	1.60	+32.1
Kerr Addison	2,756,195	0.58	2,605,714	0.55	+5.8
McIntyre Porcupine	954,921	0.41	1,136,640	0.49	—16.0
Pamour Porcupine	181,300	0.04	122,400	0.03	+48.0
Oils & Pipelines					
Br. American Oil	13,730,000	0.67	8,396,000	0.41	+63.5
Imperial Oil	30,686,000	0.97	23,334,000	0.74	+31.0
Interprov. P. L.	8,436,000	1.67	8,046,292	1.63	+4.8
Texaco Canada	5,564,977	1.70	4,817,535	1.46	+15.5
Trans Mtn. O.P.L.	2,305,000	0.31	397,000	0.05	+480.6
Superior Propane*	180,503	0.38	169,588		+6.4
Steel					
Atlas Steels	1,700,000	1.56	1,760,000	1.62	—3.4
Mtl. Locomotive	721,000	1.03	901,000	1.29	—20.0
Steel Co. of Can.	11,549,771	2.66	15,663,147	3.61	—26.3
Miscellaneous					
Algoma Central & H.B.	462,212	0.81	537,500	1.08	—14.0
Can. Cr. & Cut Stone	125,474	0.66	95,782	0.46	+31.0
Cdn. Breweries‡	3,977,337	0.93	3,468,809	1.01	+14.7
Cdn. Celanese	1,330,581	0.75	1,469,554	0.86	—9.5
Cdn. Chemical	1,490,462	0.30	1,475,231	0.29	+1.0
Cdn. General Invests.	750,830	0.78	705,483	0.73	+6.4
Cdn. Industries	4,492,000	0.51	3,537,000	0.40	+27.0
Col. Cellulose	1,817,852	0.24	1,054,766	0.14	+72.3
Dom. Tar & Chem.	3,340,395	0.46	4,539,970	0.64	—26.4
Harding Carpets‡	250,896	1.00	343,270	1.44	—26.9
Lake Ont. Port. Cement*	†596,375		†669,281		
Moore Corp.	6,360,646	0.96	5,695,264	0.87	+11.7
Southam Co.	1,937,047	0.64	2,078,697	0.69	—6.2
Third Cdn. Gen. Inv.	300,450	0.16	291,666	0.16	+3.0
Union Accept.	211,513	0.40	198,042	0.42	+6.8
H. Walker-G. & W.	9,618,813	1.12	9,827,829	1.14	—2.1
John Wood Inds.	309,000	1.09	564,000	2.15	—45.2

*6 mos. ended May 31.
†Net loss.
‡6 mos. ended April 30.

INVESTMENTS

First Half Results Are Ahead Second Quarter Gain Smaller

By AMY BOOTH

PROFITS from Canadian corporations are ahead again this year, but the rate of gain is slower now than earlier this year.

First six months' results for the 48 companies in the accompanying table indicate that the total earnings have increased 16% over first half 1959.

Although sales figures are available only for a limited number of the companies, 10 out of 17 firms who do publish this information showed some improvement in profit on sales in first half 1960, over first half 1959.

From the data available, most of this improvement occurred in the first quarter, however.

Similarly, most of the firms showed a greater percentage increase in total earnings in the first quarter than they did in the first half, when 1960 and 1959 are compared.

All categories have shown over-all gains with the exception of the steel group. The two steel producers and one steel fabricator reporting are down from a year ago.

While the total picture is encouraging, as many as 15 companies, or nearly one third of the total failed to hold their own. Decreases ranged as high as 45%.

Here's how some industries have fared:

Five pulp and paper companies are up an average of

Profit Margins

	Profit on Sales First Half 1960 %	Profit on Sales First Half 1959 %
Atlas Steels	6.5	8.0
Cdn. Breweries†	2.7	2.6
Consolidated Paper	13.0	12.8
Crown Zel. (Can.)	8.7	8.2
Moore Corp.	8.2	8.1
St. Lawrence Corp.	5.6	6.3
Abitibi P. & P.	8.5	8.2
B.A. Oil	8.9	5.4
Canadian Chemical	10.4	11.7
Columbia Cell	12.2	9.2
Cdn. Industries Ltd.	4.9	4.5
Dom. Tar & Chem.	3.2	4.4
Imperial Oil	7.4	5.7
Southam	9.8	10.9
Superior Propane*	5.0	4.9
John Wood Inds.	1.5	2.5
Steel Co. of Canada	7.4	10.2

†6 mos. ended April 30.
*6 mos. ended May 31.

15.5%. Only **Fraser Companies** fell behind. **St. Lawrence Corp.** showed the greatest gain at 23%.

In the mining and metals group, with profits up an average of 21.7%, **Faraday Uranium** shows the biggest jump. For the first six months Faraday's earnings were up 67.3% but the second quarter earnings were 16.8% lower than in the first quarter of 1960. This reflects the planned decrease in tonnage treated due to the government stretch-out policy.

Consolidated Mining & Smelting Co. also showed a considerable gain. Commenting on the 55% increase over the first six months of 1959, President W. S. Kirkpatrick notes that as company is dependent on world market conditions for the sale of its lead and zinc, profits are likely to vary considerably.

Public utilities showed profits growing steadily with the exception of **Saguenay Power** which recorded a drop of 8.6%. In addition, Saguenay's 1959 earnings were off 13% from the like 1958 period.

Bell Telephone Co. of Canada earnings for the half, up 9.8% were well ahead of the average of 5.9% for the group. The use of extension telephones accounted for more than one third of the growth in the latest six-month period. But the gain was not nearly as spectacular as the 29.7% increase reported in 1959 over first half 1958 earnings.

The six oil and pipeline companies in the table all show increases. Not including **Trans Mountain Oil Pipe Line**, increases average 24.2%.

The miscellaneous group, which covers a wide range of companies, showed seven with lower earnings and 10 with earnings ahead. **Columbia Cellulose** reported the biggest gain at 72.3%. Next in line was **Canada Crushed & Cut Stone** which went ahead 31% over first half 1959.

John Wood Industries' 45.2% drop in earnings reflects an 11% decrease in total sales. Canadian sales, however, actually increased with the drop coming from sales in the U. S.

Both investment companies in the group fared better than last year. **Canadian General Investments** earnings were up 6.4% while Third Canadian's increased 3%.

Saguenay Power Profit Down 9%

MONTREAL (Staff) — Consolidated net profit of **Saguenay Power Co.** in the first half was $641,165, or 8.6% lower than $701,123 in corresponding 1959.

Aluminium Ltd. owns virtually all common shares.

Here are comparative details:

First half	1960 $	1959 $
Op. revenue	7,419,364	7,127,327
Other income	155,505	122,096
Less:		
Op., maint., admin. expenses	4,278,172	3,847,351
Education tax	176,240	171,276
Other tax (excl. inc.)	357,146	346,963
Deprec.	467,858	453,450
Int. funded debt	354,012	370,657
Amort. of contracts	409,171	409,171
Current inc. tax	894,034	949,744
Reserve for future inc. tax	—2,929	—312
Net profit	641,165	701,123

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60-32

Southam Acquires Hugh C. MacLean

Southam Co. has acquired the **Hugh C. MacLean Publications Ltd.**, publishers of 21 Canadian business and professional magazines.

Southam publishes eight Canadian daily newspapers, owns printing plants in several Canadian centres and has interests in the radio and TV fields.

Purchase price of the MacLean interests was not disclosed.

The MacLean company will continue to operate as a separate company under the present officers and management, with the addition of Southam representatives to the MacLean board.

Andrew D. Maclean will continue as chairman of the board, James A. Daly as president and managing director.

MOVES OFFICE

Victor Adding Machine Co. (Canada), Galt, Ont., has moved its St. John's, Nfld., branch office to new and larger quarters at 142 Duckworth St.

Investors Syndicate Block Sold for Over $33 a Share

MONTREAL (Staff) — **Webb & Knapp (Canada) Ltd.** has bolstered its cash position with the sale of its holdings of **Investors Syndicate of Canada Ltd.** common stock for more than $5,250,000.

It bought the stock in 1957 for $2,163,935. Selling price is estimated at just over $33 a share, compared with recent $35 market price.

Gamble-Skogmo Inc., a Minneapolis-based retail chain, bought Webb & Knapp's holdings — representing about 26% of outstanding ISC common — plus about 16% more, believed to have been held directly or indirectly by the **Royal Bank of Canada.**

Control of ISC remains in Canada, however. Some 52% of its common is generally understood to be held by management personnel and by the **Canadian Bank of Commerce.**

President William Zeckendorf told shareholders in April, in the annual report of Webb & Knapp (Canada), that capital requirements in 1960 would amount to an estimated $25 million.

Sale of its holdings of ISC was not one of the means by which he said that sum would be provided, although he indicated some properties might be sold. The report noted that company had pledged 145,000 ISC shares as security for a letter of credit in connection with a construction project requiring further expenditures of $66.5 million.

At Dec. 31, 1959, current liabilities exceeded current assets by $6,469,621. A year earlier, balance sheet showed working capital of $2,310,126.

Until late 1956, ISC was wholly owned by **Investors Diversified Services Inc.** of Minneapolis, whose major shareholders were Texas oilmen John and Clint Murchison, and railroader Robert R. Young's **Alleghany Corp.** Shares of ISC were then distributed to IDS shareholders.

Webb & Knapp (Canada) early in 1957 bought some 150,000 shares from the Murchisons, and later that year received a 5% stock dividend. Book value of its ISC holdings was $2,163,935.

Annual reports of Webb & Knapp have not stated the exact number of shares held, but the stated market value indicates holdings of 157,500 shares. If this is correct, Gamble-Skogmo paid approximately $33.33 per share, or nearly $8.5 million for 42% of ISC stock.

Under U. S. anti-trust legislation, Gamble-Skogmo Inc. was recently required to divest itself of subsidiary **Western Auto Supply Co.** Sale price was reported to be $50 million, half of which was a capital gain for Gamble-Skogmo.

Gamble-Skogmo owns **Macleod's Ltd.**, a Winnipeg-based Prairie retail chain.

It was announced that Webb & Knapp (Canada) will use the proceeds of its sale of ISC stock to finance new work in its three major Canadian construction projects.

Largest is the $80 million Place Ville-Marie downtown development in Montreal. **Others are the $11 million Wellington Square Shopping Centre** opening Aug. 11 in downtown London, Ont., and the Brentwood Shopping Centre, under construction in suburban Vancouver.

Royalite Oil Earnings Up

Earnings of **Royalite Oil Co.** for the six-month period to June 30, 1960, were $188,000.

This compared with earnings of $80,000 in the comparable period, 1959.

Earnings in the second quarter of both years were adversely affected by refinery shutdowns for annual maintenance work.

Crude oil production in the period was 660,000 bbl., compared with 642,000 bbl. in same period last year, excluding production from the Coleville field which was sold during 1959.

Refinery throughput for the year to date averaged 9,393 bbl. per day, compared with 9,097 b/d for same period in 1959. Sales of gasoline, heating oil and diesel fuels totaled 48,750,000 gal., an increase of 11% over last year.

Alberta Oil & Gas Conservation Board has approved unitization of the oil pool of the Turner Valley field as of July 1, 1960, in three segments and Royalite has been elected operator of the central segment covering 111 wells.

Expansion of a secondary recovery project under the unitization scheme will increase future production and earnings, the company reports.

Government of Canada Bonds
and Treasury Bills
Provincial and Municipal Bonds
Public Utility
and
Industrial Financing

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Specialists in Special Situations

Trans Mount. Earnings Rise

Estimated consolidated net profits of **Trans Mountain Oil Pipe Line Co.** for the six months ended June 31, 1960, amounted to $2,305,000 ($397,000 in same period last year), equal to 30.6c share.

Deliveries during the period averaged 125,595 bbl. daily, of which 42.17% were made to refineries in the state of Washington and 57.83% to B.C. refineries.

These compare with 90,766 b/d, 28.71% and 71.29% respectively in the first half of 1959.

Scheduled shut-downs of Vancouver refineries for overhaul will reduce deliveries during the third quarter of 1960 to an estimated 96,000 b/d.

	First Half Year 1960	First Half Year 1959
Average daily oil deliveries (bbl.)	125,595	90,766
Income:		
Operating revenue	$9,916,000	$7,080,000
Income from investments	177,000	73,000
Gains on redemption and purchase of company bonds	385,000	29,000
	10,478,000	7,182,000
Charges:		
Operating expense	1,897,000	1,746,000
Interest	1,972,000	2,097,000
Depreciation	2,482,000	2,519,000
Profit before taxes	4,127,000	820,000
Income taxes	1,822,000	423,000
Net profit	2,305,000	397,000

ANNOUNCEMENT

HILL REFRIGERATION APPOINTS ADAMS AS GENERAL MANAGER

HAROLD ADAMS

G. J. Doyle, President of C. V. Hill of Canada Ltd. (Barrie, Ontario), commercial refrigeration manufacturer, announced recently the appointment of Mr. Harold Adams as General Manager in Charge of Operations. Mr. Adams has been associated in key capacities with leading Canadian manufacturing organizations.

Sight, Sound, Summary

ART, drama, film and literary critics seldom cross the line that separates the onlooker from the participants. Television is somewhat different. A television critic is fair game for panels, talk programs and such, but it's still an unnerving business crossing over from armchair to "on camera." The Montreal Star's television critic, Pat Pearce, still shudders a little when she recalls her 'debut'. This was in the early days of "Front Page Challenge" and Pat was a little restless as the date for her appearance approached.

"I should have expected what happened. The day of the show, I woke up with the sniffles. I spent the day with handkerchiefs and cough drops and every sort of medication to ease an increasingly sore throat," Pat recalls, "but it was all to no avail."

She adds: "Came the moment of truth when Fred Davis turned with one of his pleasant introductory remarks, something about "as-a-TV-critic-you-must-see-a-lot-of-TV?" I turned on a TV smile, opened my mouth—and not a sound came out. My suspicions had been right. I'd lost my voice!"

There are two viewpoints on Pat Pearce's life as television critic for The Montreal Star. Some people say: "Aren't you lucky to be able to watch TV all day!" Others say: "How can you stand it, all that trash?"

Miss Pearce's answer:

"I AM lucky and I CAN stand it, because I'm fascinated by TV, if not for what it is now, for what it could be. Already it is a staggering medium of communication. It could still be a great medium for art."

"The TV critic," adds Miss Pearce, "has no standards from the past to lean on; no established traditions against which to measure the qualities of this new art, nor his appraisal of it. He's on his own, with nothing to conform to; to revolt against; or to follow, but his own judgment."

Miss Pearce got her first job with the Sunday Dispatch in London in the thirties, and did feature work for the London Daily Mirror. She made a wartime crossing to Canada in 1941 and after some years as a drama and movie critic she joined The Montreal Star in 1957 as TV critic.

"The TV critic," she sums up, "may be on his own in a lonely world, but he's also free as the air, unhampered by conventions. I never get bored. It's the only job where you can sit and watch the World Series and say: 'I'm working'."

Good reporting makes a good newspaper

The Montreal Star

The Case for the Inevitable

Are too many people killed in traffic accidents or too few? The question is not so absurd or so callous as it sounds. It has been raised seriously by Prof. J. D. Williams, a U. S. mathematician, who points out that speedy transport, a great boon to modern man, inevitably takes a toll of highway deaths. Regardless of every threat and every precaution, accidents will continue to happen and continue to rise in frequency as traffic increases.

It would be possible, as was once proposed, to have a No Death Day for auto traffic but only by taking all cars off the streets and highways for the occasion.

Then doctors, ambulances, police and firemen would be immobilized during 24 hours. Deaths resulting from their inactivity would almost certainly exceed the daily traffic average. Economic loss from slowing of trade and from stoppage of movement to and from suburbia (whose very existence is made possible only by speed) would be prodigious.

To put the case another way, traffic deaths might be cut to zero if cars were forced, as they were more than 60 years ago, to move at a walking pace preceded by a man with a red flag. But the immense value of motor transport, the quick mobility it gives to the whole community, would then be totally lost.

When 51 Canadians were killed on the highways during the Dominion Day weekend, there was a horrified outcry. To relatives and friends these deaths were a grievous matter. The alternative of no cars and a high degree of stagnation is not, for society as a whole appealing.

On an average day nine Canadians die in road accidents; but there are 382 deaths from all causes daily. Thus traffic accounts for 2.4% (in the U. S. about 3%) of the aggregate toll. Is this too much to pay for the mobility of the motor age?

Prof. Williams says "no" and even suggests there are not enough accidents. A monstrous paradox? Not necessarily. What it means is that existing restrictions on speed may cause more social loss than they're worth in lives saved. Motion has a positive plus value, an incalculably large plus value, to modern man; and it also has a price.

All of which is not in any sense an argument against driving carefully, building new safety features into cars, taking incompetent drivers off the roads and making greater use of devices like one-way traffic. Such life-saving measures are wholly consistent with the Williams thesis. After all, there is safety for all if we all stayed in bed. And there's security of a kind in the grave.

Fishy Promotion

By GERRY NOONAN

Fish - watching, an attraction that has stood the test of time, is the basic lure of a new display advertising business that is promising to spawn all across Canada. Here's the idea:

Place a product, for instance a bottle of beer, at the bottom of a two-foot-deep aquarium tastefully stocked with fish of exotic shape and color, water plants of restful green, white sand, pretty pebbles and clear cool water.

Combine the tank with an AM-FM radio in a fine wood cabinet. Set the whole ensemble—a picture of relaxation plus FM music—in a hotel lobby and, say the ad psychologists, have no fear, passersby will get the message.

The firm behind the program is Tropic-tone Manufacturing Co. The idea has caught on so fast it's surprised even the principals.

The original idea, in fact, had nothing to do with display advertising.

It centred on an automatic fish-feeding device invented by Harvey Springer. The device (marketed by Autoquarium of Canada) was built into pre-stocked aquariums which then could be left alone for a month or two at a time.

This was a boon to fish - fanciers wanting a worry-free vacation and to forgetful or indulgent housekeepers who can kill with kindness by feeding too often.

It was also a boon to doctors and dentists and other professional men who liked the idea of a calming attraction in their waiting rooms but didn't like going to their offices on weekends to look after fish.

Then came the idea of building the no-fuss aquariums into record cabinets, liquor cabinets, bookshelves and AM-FM radios. One of the cabinet models was installed as a conversation piece in the office of a Bank of Nova Scotia manager in downtown Toronto.

When the manager saw a customer watching the fish, he would hail him, invite him in, learn his name and have a friendly chat.

A few weeks ago, Tropic-tone put a treasure chest at the bottom of the tank's aquarium and added a sign which read: "Start your own treasure chest. Open a savings account today."

Bank officials were delighted. They immediately considered plans for display aquariums in other branches.

About the same time, Tropic-tone put a bottle of beer in an AM-FM radio-aquarium in a Toronto dining lounge. Within days, the brewery was enquiring about using the display units in a cross - country promotion campaign.

"From there, this thing has just snowballed," says Robert Meecham, Tropic-tone president.

Supermarkets are a particularly suitable outlet, he says.

The units can be put in waiting rooms at travel depots and business offices.

"In Toronto alone," Meecham says, "there are 2,700 doctors, 1,000 dentists, 63 chiropractors, 28 osteopaths and 750 lawyers. That's a pretty good market by itself."

After the units are sold, the company arranges to have a serviceman call every month or so (depending on the nature of the tank) to restock the feeder and make any other adjustments necessary. In most cases, proprietors of local pet fish shops will be the servicemen.

Tropic-tone plans to look after the display advertising part of the business itself. The domestic and professional sales will be handled through regional franchised dealers.

"The display advertising has become a business of its own," says Meecham. "Things weren't planned that way at all."

But the firm is quite willing to go along with the stream.

Why Take Citizenship?

Since British-born people in Canada acquire the right to vote by merely living here, why should they trouble to become Canadian citizens after five years' residence? Answering this question recently, Sen. W. M. Aseltine, leader of the Senate, gave several reasons.

In the province of Quebec only Canadian citizens may practise medicine, law, dentistry and other professions. Other provinces have considered imposing this restriction.

Only Canadian citizens, or corporations controlled by Canadian citizens, may hold licenses under the Broadcasting Act.

Canadian citizens, and no other persons, have "an unconditional right" to come into and stay in Canada. In other words, they can never be denied entry nor can they be deported. Either of these things can happen to a British subject who is not a citizen of Canada.

Apart from all that, of course, taking citizenship is a gesture of respect to the adopted country.

Pause—for Votes

A couple of years ago, Diefenbaker made the suggestion to Eisenhower that the wheat-exporting countries co-operate to finance building-up of wheat stocks in underdeveloped countries.

The U. S. Administration put its shoulder behind this "Food Bank" idea and the "Wheat Utilization Committee"—Argentina, Australia, Canada, France and the U. S.—came into being.

Appropriately enough, since Canada was influential in setting it up, the committee's activities have followed the splendid traditions of a Canadian Royal Commission—stately, solemn, sure and slow.

The committee has met three times to consider reports. Recently it announced in ringing tones that it would meet again in October. But not all its reports, files, documents or agendas have sent one peck of wheat to India or Pakistan.

The real reason: Vote - hungry U. S. politicians have stymied the administration until after the November election.

Meanwhile there are new wheat troubles forming. This year's U. S. wheat crop is now forecast as the third highest ever, and our wheat crop may be the highest since 1957. This could mean the biggest world supplies yet and the biggest headaches in getting rid of them.

Canned Pork Anyone?

"By their pork ye shall know them."

Some such label may before long cling to Canadians the world over.

It seems to be only a question of whether the government's immense stocks of subsidy-bought pork can hold out long enough for the reputation to spread.

Wherever disaster strikes in this dangerous world of ours, neatly tinned quantities of surplus Canadian pork are almost sure to follow.

When earthquakes shattered Chile recently, what helped put Chile back together again? Be it ever so humble, our contribution was Canadian canned pork.

When mutiny and riot ripped the Belgian Congo, Canada knew immediately at least one thing it could do—ship more excess pork.

Who's next on the list? We've got lots more.

Rigging Trick Tariffs

If you like Scotch and are puzzled about the price you pay for the stuff, it could be the confusing effect of the tariff, not the effect of the Scotch.

It's a very curious tariff. Here's how it works. The present Scotch bottle holds 26 2/3 oz.—or 2 imp. gal. (320 oz.) to the 12-bottle case. The Scotch industry wants to use the 25-oz. bottle, the standard for Canadian-made spirits like rye, which would retail 30c cheaper. But the tariff, as it now stands, will still require payment of duty on a theoretical 2 imp. gal. (320 oz.) instead of on the actual 300 oz. (1.85 gal.) case of 12 smaller bottles.

Rigging trick tariffs to discriminate against imports may be good fun among the cynics but it's not an admirable way to run a country.

To Have and Have Not

(Digest of an Editorial in The Globe & Mail, Toronto)

Is Ontario the only wealthy Province in Canada? Are the rest—all nine of them—in distressed circumstances? One might think so from statements made at the Dominion-Provincial Conference in Ottawa.

Under present Dominion-Provincial fiscal arrangements, there are deemed to be two wealthy provinces in Canada—Ontario and British Columbia. Accordingly, the Dominion Government makes annual payments designed to "equalize" all the provinces with these two.

During the current fiscal year, these equalization payments will total $178 million. The largest payment will go to Quebec, $62.7 million. From there, the payments run down to British Columbia's $8.6 million and Prince Edward Island's $3.3 million. Ontario is the only province which gets no equalization payment at all.

In effect, these payments are subsidies. Ontario pays half of them because Ontario pays half of all the taxes that go into the Dominion Treasury. Thus, Ontario is subsidizing all the other nine provinces.

Who is rich? Who is poor? Who has, who has not? This newspaper has never denied the need of the Atlantic Provinces. Certainly, these provinces lack the wealth that comes from development; certainly, taxes paid by Ontario should be used to help them along. But when Ontario is called upon to subsidize prosperous, expanding provinces like Alberta and British Columbia, Quebec and Manitoba, there is reason to protest. Most of all, there is reason to protest the demands of Saskatchewan.

Not only did Premier Douglas argue for larger subsidies from Ontario in the form of equalization payments. He said that the Dominion Government should "provide assistance to any province which is prepared to introduce a prepaid medical care program". The Saskatchewan Government is preparing to introduce such a program. What Mr. Douglas proposes is that Ontario, which cannot afford state medicine itself, should pay half the cost of providing state medicine in Saskatchewan.

This is the end of the road. It is the final absurdity bred by the absurd idea that Ontario is the only province which is wealthy, the only province which is even self-supporting—that Ontario therefore has the duty to keep all the other provinces in the style to which they are, or would like to become accustomed. The industrial plants of Quebec, Manitoba and British Columbia, the oil wells of Alberta, the elaborate welfare schemes of Saskatchewan, tell a different story. These provinces may not be precisely as rich as Ontario. But they are not charity cases either; and they should stop acting as if they were.

Post Scripts

International Salesman

Sweden's new trade commissioner in Canada, Sune Wollmar Nofelt, began his career with a kind of job that doesn't exist in this country — managing bankrupt businesses on behalf of the companies' creditors until the firms were again thriving concerns.

Nofelt was from 1952 until his recent appointment to the Swedish Trade Commissioner Service an independent consultant in marketing and industrial administration.

In 1952 he was asked by one of Sweden's largest banks to become president of a bankrupt firm employing 350 people and manufacturing radios, TV sets, motor cycles and motors until he could get it back on its feet. It took almost three years to get the company going again; his next assignment was to do the same job for an electronics and metal working firm suffering similar troubles.

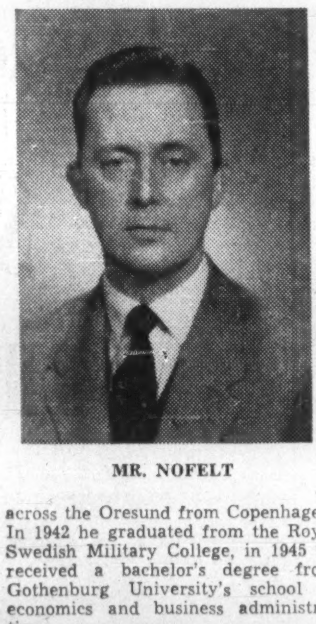
This approach to business development—or, more exactly, maintenance — is part of Sweden's policy of strengthening its industrial base and keeping unemployment down to an acceptable minimum. Sweden's government-managed Labor Market Board (with representatives of labor and management) empowers creditors to keep businesses from going under — if it can be determined that, essentially, they are sound ventures.

Nofelt is 40. He was born in Halsinborg, Sweden's fifth largest city and across the Oresund from Copenhagen. In 1942 he graduated from the Royal Swedish Military College, in 1945 he received a bachelor's degree from Gothenburg University's school of economics and business administration.

His appointment in Toronto as Sweden's trade commissioner by no means marks his first taste of North America. He spent one year at Columbia University in New York and received a master's degree in business administration and industrial engineering. Then he worked in various capacities for three U. S. firms — to get to know more of U. S. business practices, markets and thinking.

About Canada: "I think you have to build up your own industry, produce more capital and consumer goods —and for that you need machine tools which we are ready to sell."

Sune Nofelt married Inga-Lena Brax in 1944. The Nofelts, now living in Toronto's Lawrence Park area have two sons 15 and 11.



MR. NOFELT

Council Chairman

Dr. Claude T. Bissell, 44, president of the University of Toronto, the new chairman of the Canada Council, firmly believes Canadians should be more cultured. "If as a nation we are intellectually flabby and emotionally shallow, you may be sure that we shall be superseded by others," he says.

His job as chairman (he succeeds Brooke Claxton who as first chairman proved to be an outstanding champion of Canadian arts, humanities and social sciences) is a part-time one, but of great importance to Canadians. Dr. A. W. Trueman, as director, is responsible for day-to-day operations of the council.

Bissell maintains a deep interest in the arts. He has edited and contributed to three volumes, is a director of the Shakespearean Festival Foundation, is a patron of Toronto choral groups, and has a lively interest in Canadian painting.

His rise to high academic office was swift. Vice-president of U. of T. from 1952 to 1956, he became president of Carleton College (now University) in Ottawa and in 1958, at 42, he was called back to U. of T. as the youngest president in its 110-year history.

Other personal details: Born at Meaford, Ont. Married Christina Gray, of Bothwell, Lanarkshire, Scotland, in 1945; has one teen-age daughter (Deirdre). Recreations include hi-fi, color photography and Scottish country dancing.

DR. BISSELL

Reverts to Type

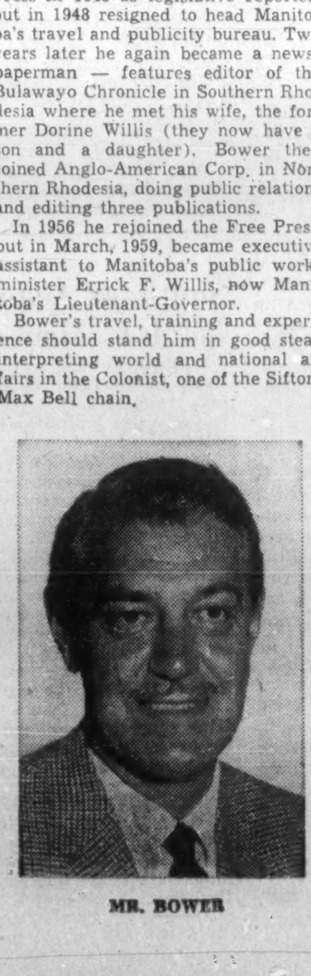
The new editor of the Victoria Colonist (circulation 30,000) Richard John Bower has been reporter, features editor, editor, in public relations, traveler, soldier and civil servant. He succeeded veteran B. C. newspaperman, Sandham Graves on Aug. 1.

Bower, born U.K., educated Winnipeg and University of London (political science) had success free-lancing for U.S. and U.K. papers which suggested a newspaper career. He was in Europe when World War II started, received a British Army commission, served Europe and Africa.

Bower joined the Winnipeg Free Press in 1946 as legislative reporter, but in 1948 resigned to head Manitoba's travel and publicity bureau. Two years later he again became a newspaperman — features editor of the Bulawayo Chronicle in Southern Rhodesia where he met his wife, the former Dorine Willis (they now have a son and a daughter). Bower then joined Anglo-American Corp. in Northern Rhodesia, doing public relations and editing three publications.

In 1956 he rejoined the Free Press, but in March, 1959, became executive assistant to Manitoba's public works minister Errick F. Willis, now Manitoba's Lieutenant-Governor.

Bower's travel, training and experience should stand him in good stead interpreting world and national affairs in the Colonist, one of the Sifton-Max Bell chain.



MR. BOWER

"Quote-Unquote"

Premier Manning of Alberta to the Federal-Provincial Fiscal Conference in Ottawa:

"In our view, while there obviously are some advantages to indirect taxation, to be honest we would have to acknowledge that primarily the advantage is a political advantage; it is the nicest way of a government collecting money from people without the people knowing what they are paying.

"If it costs $200 to remove a man's appendix, are you doing him a service by adding the $200 to the price of his automobile and telling him that you are taking out his appendix for nothing?

"Unless the individual citizen knows what the costs of the social services are, he is not in a position to intelligently say whether he wants those services, whether he prefers other services, or whether he wants more services.

"Only when he knows the price tag attached to each alternative is he in a position to intelligently, through his elected representatives, say what he wants and what he is prepared to pay for."

* * *

Peter Drucker, July Harper's:

"Truman in his last budget spent $46 million on price supports for farm products. We (U. S.) are spending this year a hundred times more: well over five billion. Yet farm prices are lower and farm surpluses many times larger than in 1953. Indeed, total farm income is the lowest since 1942."

* * *

C. L. Sulzberger in The New York Times:

"There is something cruelly incongruous about the Republican party honoring the centenary of Lincoln's nomination with an argument over whether its civil rights program should be 'liberal' or 'conservative'."

* * *

Lord Jellicoe in the debate in Britain on the European Common Market:

"We can 'marry' Europe without divorcing America. It would be possible to contract a respectable bigamous relationship with both at the same time."

* * *

Life of Lady Astor by Maurice Collis:

"George Bernard Shaw sent Winston Churchill two tickets for the opening of one of his plays with the note: 'Bring a friend—if you have one'.

"Churchill replied: 'Prefer to come second night—if you have one'."

Winnipeg Free Press:

"Policy, decision and government itself are the last things that any government has to worry about in this enlightened era. All it needs is a story.

"Under this theory of political process, government is not expected to make decisions; it makes gestures. It does not tell the people what it pretends to do; it tells them a bedtime story.

"Acting but not action is the new principle of politics."

Stop Me If . . .

Girl: "You play beautifully. Why did you take up the piano."

Pianist: "My beer kept falling off my violin."

The Financial Post

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Aug. 6, 1960

POLYMER ads in Russian journal.

How to 'Sell' The Russians By Advertising

By DAVID SCOTT

LONDON, Eng. — For a low-cost way of promoting exports to Russia under the recent $25 million trade pact, **F. C. Millington Ltd.** in England claims to have the answer.

This London branch of an "old China hand" firm is sole agent for advertising in Soviet technical magazines for the British Commonwealth, the U. S., Scandinavia and Benelux, and is about to launch a sales drive in North America.

In the next few weeks it will make a direct mail approach to the presidents of 1,500 Canadian companies in addition to up to 50,000 in the U. S.

Millington is offering to sell space at a flat rate of $135 a page in 62 specialized Russian journals — mostly monthlies — ranging from Atomic Energy to Woodworking Industry.

The Russian publishing organization, **Mezhdunarodnaja Kniga,** won't accept your ad if it feels there is no market for the product and no likelihood of its being imported.

If the ad is approved, the export prospects are good. If not, there's no charge.

Thus you get free market advice by men on the inside track.

These business magazines are required reading for top Russian executives and engineers in their respective spheres of industry and commerce.

There is only one journal for a given field, with circulations from 2,000 to 85,000.

The basic fee covers translating the ad into Russian, as well as translating up to 16 pages of sales literature requested by a Soviet reader, and any follow-up correspondence.

Millington is branching out in North America following a rapid build-up of its British business. The company now has over 300 clients, including **Massey-Ferguson.**

Polymer Corp. of Sarnia is one Canadian pioneer already to Millington's credit, and several of its ads have been published.

Seven other Canadian firms—**dealing in farm and forestry** machinery, plastic production equipment and even ice hockey gear — are understood to be lined up for future ads.

Only full pages (approximately Canadian business paper size) are normally accepted.

Ads for the Russian papers are expected to give far more technical detail than in the West, for they are often the sole source of primary information. They should be more like data sheets than persuaders.

Excessive claims for the products, superlatives and eye-catchers are frowned upon.

• **First step** is to send the proposed copy to the London office, either direct or through your own advertising agent.

There it is translated into Russian and submitted to Moscow.

Advice of acceptance or rejection takes two to four weeks from the time of your initial move. If the ad is approved the first one will appear four to six months later.

• **You then** pay the standard page rate of $135 per issue (regardless of circulation) for six insertions three times a year over a two-year period. The fee is cut to $123 for 12 insertions six times a year.

What happens when the ad is published is that some forestry engineer in the remote wilds of Siberia reads about your revolutionary tree-felling machine in his copy of Paper Industry (circulation 4,900).

He writes you asking for further details, and after studying your brochure he may advise the appropriate state trading monopoly (there are 45 in the country) that his plant could use some of your equipment.

The Moscow office, if it is favorably disposed, will instruct its purchasing agent in Canada to inspect your equipment and negotiate price and delivery terms.

Millington says the system works, and cites its mushrooming business as proof.

Its U. K. headquarters, concerned exclusively with advertising in Russia, are at 53 Chandos House, Buckingham Gate, London, SW1.

May Give Insured Motorists Cards Good in Any Province

Canada's 10 provinces have been asked to clear the way for a nation-wide insurance card for motorists that will be recognized as proof of financial responsibility in every province.

As it stands now, a motorist from Eastern Canada traveling through Manitoba, Saskatchewan, Alberta or British Columbia, is likely to have his car impounded (if only temporarily) should he have an accident involving damage of $100 or more.

This is because he cannot show a "pink card" proving financial responsibility as legally required in the four Western provinces.

It makes no difference that he is carrying adequate liability coverage with an insurance company back in Ontario or the Maritimes.

His car will be held until the insurer back East furnishes evidence that the man has the coverage he claims.

In the West, pink cards are issued by each of the four provincial governments to registered auto insurance companies for distribution to their insured clients.

The four provinces already have a reciprocal agreement whereby each recognizes this proof of financial responsibility of the other.

Nova Scotia and New Brunswick have a similar agreement between themselves, but not with the West.

The new plan, sponsored by the 600,000-member Canadian Automobile Association, calls for one card to be good in all provinces.

Ontario, Quebec, Prince Edward Island and Newfoundland do not as yet require all motorists to carry liability insurance, although in Ontario, for instance, 90% of motorists already do.

For the plan to work, these provinces would have to tighten up their existing financial responsibility laws and also make it necessary for motorists to show proof at the scene of an accident.

In Ontario, a government-appointed committee (**FP**, June 25) has already begun a study of various compulsory auto insurance plans in other jurisdictions.

Linking of East and West by the almost-completed Trans-Canada Highway underscores the need for a closer working-together of the provinces in matters relating to proof of financial responsibility for auto accidents, the CCA feels.

Until such time as a nation-wide agreement becomes a fact, CCA suggests that motorists driving out West from Eastern Canada could save themselves a lot of time and inconvenience if they got their auto insurers to provide them with pink cards for each of the provinces they intend to travel in.

Quebec's Plans May Cut Rates for Auto Insurance

MONTREAL (Staff)—Lower car insurance rates may be in store for many Quebec drivers.

That could be one result of the province's plans to join the ranks of most other provinces in an unsatisfied judgment fund.

It would probably be known in Quebec as a public liability fund, but would serve the same purpose: To compensate victims of accidents involving uninsured motorists.

At present, only 45% to 60% of Quebec motorists carry insurance, compared with upwards of 90% in other Canadian provinces.

The percentage increased sharply in other provinces as soon as an unsatisfied judgment fund was introduced, and Quebec insurance officials look for the same reaction.

[illegible] ing a point demerit system, there would be added pressure for safer driving, and the two factors, officials feel, could bring about a reduction in rates.

The new legislation, which the new government hopes to introduce at the next session, may also include safety or financial responsibility legislation, designed to compel the motorist to carry liability insurance.

Under safety responsibility legislation, a motorist — once he has been in an accident — must prove he is financially responsible or lose his licence and hence his right to continue driving.

Insurance is usually the most convenient form of "proof".

Under financial responsibility legislation, the driver won't lose his licence until a judgment has been secured against him.

Bond Financing Drops 40.7%

Canadian government, provincial, municipal and corporation public bond financing in Canada for July, 1960, amounted to $89,324,225, down 40.7% from $150,757,500 in July, 1959, **Wood, Gundy & Co.** reports.

For the first seven months of the year, bond financing totaled $1,950,756,648, 95.2% higher than the $999,362,332 for the same period last year. Major difference was in Canada direct and guaranteed bonds.

This category totaled $769 million in 1960 compared with $150 million a year ago.

Provincial direct and guaranteed financing during July, 1960 at $57 million consisted mainly of $50 million Province of Quebec 5¼% bonds due 1968 and 5½% bonds due 1981.

Total for July, 1959 was $105.7 million.

Municipal bond financing last month amounted to $12,298,225 and consisted of 20 Quebec and Maritimes issues, 11 Ontario issues and six issues in Western Canada. This compared with $24.6 million in July, 1959.

New corporate bond financing in July this year, including $15 million **British Columbia Telephone Co.,** 5¾% bonds, due 1985, totaled $26 million. In July, 1959, new corporation bond financing totaled $20.5 million.

Here is a breakdown of bond issues for the first seven months of 1960:

Jan. 1-July 31:	1960 $	1959 $
Can. dir. & guar.*	769,000,000	150,000,000
Prov. dir. & guar.*	460,922,000	406,609,770
Ont. municipal	138,432,426	134,601,248
Que. & Mari. municipal	154,923,700	100,739,500
West. mun.	25,213,522	27,134,264
Corporation	402,265,000	180,277,550
Total	1,950,756,648	999,362,332
Can. short term oblig.†	3,894,000,000	4,685,000,000
Prov. short term oblig.†	....	28,600,000

*Over two years in term.
†Under two years in term.

NEW DOMINION STORE

From Our Own Correspondent

SAINT JOHN — Construction has started on a new **Dominion Stores Ltd.** outlet to serve West Saint John and the Beaconsfield area of Lancaster. It is the first supermarket in the suburban area of approximately 20,000 residents. Construction was delayed for several months due to a dispute over zoning.

N.B. Tax Arrears Over $9.3 Million

From Our Own Correspondent

SAINT JOHN — Municipal tax arrears are climbing in New Brunswick.

Arrears for 42 municipalities at Dec. 31, 1959, totaled $9,378,000, up $895,000 from $8,482,000 a year earlier.

During the year the municipalities collected $24,212,000 or 96.4% of a total levy of $25,108,000.

Municipality in the poorest tax collection shape is Madawaska. Collections amounted to only 76.4% of the warrant.

Saint John City collected more than its levy.

Also over the top were the towns of Dalhousie, Grand Falls, St. Stephen, St. Andrews, Sackville, St. George and Rothesay.

Counties which collected amounts equal to or more than the levy were Restigouche, Victoria and Westmoreland.

Auto Industry Prober Given Wide Latitude

OTTAWA (Staff) — What does the future hold for the Canadian automotive industry?

An answer, from a one-man royal commission appointed by the federal government this week, may be available by the end of the year.

The commissioner: Dean Vincent W. Bladen of the University of Toronto's arts faculty and, at 60, a long-recognized economics expert. (See Nation's Business.)

BLADEN

What will his answer be? These are the questions the government asked him to report on:

• **Present and prospective** competitive position of the Canadian industry in Canadian and export markets compared with auto industries of other countries.

• **Relations** between companies producing autos and parts in Canada and parent, subsidiary or affiliated companies in other countries; effect of these relations on Canadian production.

• **Special problems** of Canadian parts makers.

• **Ability** of Canadian auto makers to produce and distribute — economically — various types of motor vehicles demanded or likely to be demanded by Canadian consumers.

• **Measures** management and labor concerned and government could take to improve the position of both auto and parts manufacturers.

One immediate answer from Liberal Paul Martin, who represents the Windsor riding of Essex East:

"Abolition of the excise tax."

CONSULTANTS

Towers, Perrin, Forster & Crosby (Canada) Ltd., consultant and actuary on employee benefits, has opened a Toronto office at 44 King St. W. Manager: C. F. Fretz.

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May Suggest 12c Hike In Rail Fight

MONTREAL (Staff) — The anxiously awaited report of the federal conciliation board on the contract dispute between the railways and their non-operating employees will probably be presented to Labor Minister Starr this week.

That's the betting in railway and labor circles.

Whatever it contains it will be a political hot potato for the cabinet.

Observers at mid-week could take their pick from a raft of rumors about the probable findings.

Most frequently mentioned:

An average 12c hr. increase over two years, retroactive to Jan. 1, this year.

That would be roughly half what the unions asked for the 120,000 members involved.

It is virtually certain that the companies will refuse to pay any increase.

Most recent rail earnings figures show why:

• **Canadian Pacific Railway** during the first half of this year had net rail earnings $15.4 million on revenues of $231.1 million.

• **Canadian National Railways** during the same period ran up an $8.3 million deficit on revenues of $352.9 million.

From a straight business point of view the rail companies have no alternative but to sit tight and let the cabinet attempt to solve the problem for them. Left to their own devices —with present freight rates and taxes—they have nowhere to turn.

On the union side of the dispute there are problems that promise to be just as troublesome. As certainly as the companies cannot pay under present conditions, the unions cannot settle for anything less than a clearcut wage victory.

They have far too much to lose by settling for a pay freeze.

The leaders of the non-ops have made their stand and cannot back down.

And in the wings, ready to move in after any defeat for the non-ops leadership, are Jimmy Hoffa's Teamsters who have their eyes on Canada's rail labor as a potentially lucrative new organizational area.

They have one tremendous bargaining advantage. The non-ops are committed to a national wage scale and the Teamsters are not.

That means that in the high wage centres — Vancouver, Winnipeg, Toronto and Montreal in particular—they can offer to win workers substantially more than they are presently getting. They almost certainly couldn't fulfill this promise but it could be enough to get thousands of new members into the Hoffa camp.

The final decision really rests with the Prime Minister. He cannot shelve it.

From the moment the report reaches the government an inexorable series of events begin. The parties involved must be informed, and they will have seven days in which to decide whether to accept or reject the findings.

As there is no real possibility that both sides will agree to any report, the next stage almost certainly will be a union strike vote.

This is little more than a formality as Canadian railwaymen have come to consider voting for a strike as an essential ingredient of their semi-annual contract negotiations.

Once the vote has been taken the government has one last delaying card to play. It can appoint a federal mediator who —for a few more weeks — can rake over the coals once more.

Talk in rail union circles during the conciliation hearings was that there would be a strike called for early November.

That step would serve to hasten government action. But if success seems within reach, the unions could delay action for a few weeks.

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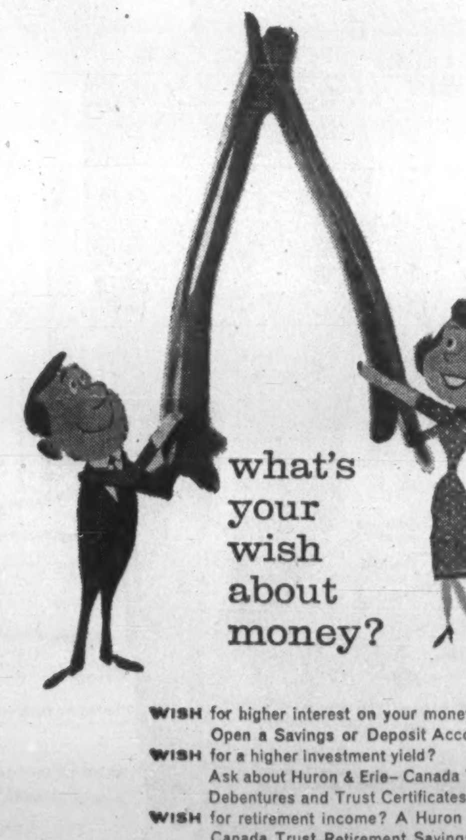

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Do you carry this much extra weight every day?

Suppose, for the next hour or so, you carried this 25-pound weight with every step you took. You'd quickly realize the burden of this extra weight on your entire body.

Many people constantly carry a similar or even greater burden—in the form of extra and unneeded pounds. And those surplus pounds are definitely a health hazard.

For example, a 20-year study of nearly 4 million persons reveals these facts:

Men weighing 25 pounds above the average have an excess mortality of 20 percent, while a weight of 50 pounds above the average is associated with a death rate as much as 50 percent higher.

After age 30, it becomes increasingly important for men—and women, too—to control their weight. To do so, you must eat less and stick to your new eating habits. Remember, it's often the high-calorie foods that are the main pound producers—fried foods, rich desserts, creamed dishes, gravies and dressings.

Count your calories carefully. Follow a chart—there's one in the Metropolitan Life booklet offered below—and learn how to plan low-calorie meals and snacks.

Start your weight control program with your doctor's advice. He will see to it that your meals provide all the essential food elements needed to keep well while reducing—and thereafter. Don't be misled by "wonder" diets.

Get your doctor's advice also about regular and reasonable exercise. It helps burn up surplus calories—and is good for muscle tone, circulation and general health.

There's no easy way to lose weight. But the struggle is worth the effort. By keeping your weight down permanently, you can avoid the burden which excess pounds put on your heart, kidneys, liver and other organs.

And you can increase your chances for a longer life—and more vitality and better looks, too.

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'Anti-Suburb' Street Mall Sales Bustle

(CONTINUED FROM P. 1)

enclosed, air-conditioned Wellington Square in downtown London, Ont., due to open Aug. 11.

Some of Ottawa's "carriage trade" shoppers are shunning the new shopping plaza.

The mall — an experiment which began May 14 when three blocks of Sparks St. west of the National War Memorial were closed to traffic — is responsible for the business boom.

These are the claims of 10 of 12 Sparks St. businessmen interviewed by **FP** this week. Each of the 10 claimed to reflect the views of competitors and colleagues.

Since the mall opened, it has been crowded morning, noon and evening by tourists and Ottawa citizens in a way it has never been crowded before except during the Christmas rush.

Over the past month, **FP** questioned dozens of strollers and tourists without finding one who didn't like the mall idea.

Many strollers criticized the mall's "unfinished" appearance, i.e., trees and flowers grow in huge unpainted concrete pots, many storefronts have neither been cleaned nor decorated.

But the mall looks unfinished because it was put together in a few weeks on the shoestring budget of $30,000.

If the experiment is successful — as determined by the appraisal of a statistical committee whose report will be published late this fall (**FP**, May 28), it will become a permanent feature.

A permanent mall could be made to look more elegant than the present one.

The two holdouts who opposed the mall:

- **A manager of a** "carriage trade" jewelry store.
- **A main office bank manager,** who said his opinions were shared by the managers of the five other banks with main offices on Sparks St.

Their gripes were identical:

The mall was causing elderly and wealthy customers to take their business elsewhere.

The bank manager had lost two depositors and the jewelry man had lost several customers to another store operated by his company in a suburb.

Ottawa is an old city, founded in the 1830s on the lumber trade. It still has a small class of wealthy descendents of founding families, many of whom use chauffeur-driven limousines.

It is these customers that Sparks St. is losing, said the two opponents of the mall. They preferred to shop in suburbs rather than park their cars off Sparks St. and walk to the shopping area.

Now that a Victoria, B.C., plebiscite has rejected a $1 million bylaw which would have transformed a mid-town street into a handsome treelined mall, the Ottawa mall is the only one of its kind existing or proposed in Canada.

Listen to what some of the people who do business on it say about it:

▸ Kenneth Wynkie, partner, J. **H. Wynkie Men's Shoes,** which specializes in the $17 to $30 range.

"The mall has been excellent for our business, simply excellent. Most Sparks St. businessmen think the same way.

"When we started the mall, there were many who were lukewarm in favor of it, many opposed. Now the people who were lukewarm are enthusiastic, and there are fewer and fewer opposed."

▸ Joseph Dover, owner, **Dover's Hardware:** "For eight hours a day, Sparks St. looks as it used to only in the Christmas rush. The mall has attracted thousands of people, and they stay to buy."

▸ A **Tip Top Tailors Ltd.** official: "Excellent for business, especially in the lines below $15. But good for suit sales too."

▸ **People's Credit Jewellers:** "A wonderful idea, clean, no traffic, no muss. We have more customers than before."

▸ **Tea Garden Restaurant,** which runs one of the sidewalk cafes: "We're doing a roaring business, on the sidewalk and in the restaurant. So are the other two sidewalk cafes."

▸ J. C. Orr, supervisor of two **W. H. Smith & Sons** book stores: "Sales of low-priced books have improved. The mall provides a much nicer atmosphere to work in."

▸ E. R. Fisher, President, **E. R. Fisher Ltd.,** men's wear: "Sales of all our lines have improved. Sales of the lower-priced items have improved most." Fisher was one of the promoters of the mall scheme.

▸ A newspaper advertising salesman who visits all the Sparks St. stores: "There isn't any doubt that every single one of them has benefited from the mall."

The idea behind the Ottawa mall is the same as that behind the Victoria proposal:

Revitalize a downtown street. The Victoria mall was pushed by downtown businessmen, but was vetoed by ratepayers because the $1 million was to have been raised by boosting parking meter fees from 5c to 10c an hour.

Announcement two days before the mall vote of a $10 million shopping centre just inside Victoria's city limits also hurt the bylaw's chances.

Only 38% of Victoria ratepayers voted. But of those who did (5,880), 6% said "no".

ANNOUNCEMENT

METROPOLITAN LIFE APPOINTMENT

GILBERT W. FITZHUGH, F.S.A., F.C.A.S. who succeeds the late Brooke Claxton as Vice-President and General Manager for Canada of the Metropolitan Life Insurance Company. From 1946 to 1948 he was Assistant General Manager of Canadian operations at the Head Office in Ottawa, and more recently has been Vice-President at the Home Office of the company in charge of planning and development. Mr. Fitzhugh took up his new duties in Ottawa on August 1.

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ANNOUNCEMENT

GILLETTE ANNOUNCEMENT

BOULTON A. HALL

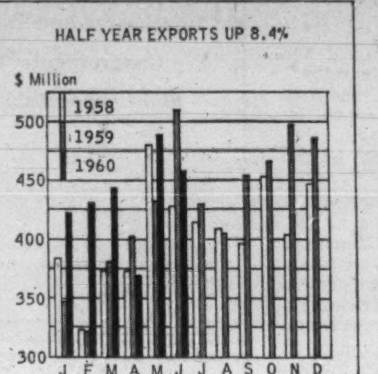
The promotion of Boulton A. Hall, Vice-President, Gillette of Canada, Limited, to the newly created post of Marketing Manager is announced by Richard S. Reuland, Executive Vice-President.

A native of Toronto, Mr. Hall began his business career with the T. Eaton Co. Limited. From 1941 to 1951, he was an executive with Spitzer & Mills advertising agency and, during the war, served as Air Navigation Officer with the RCAF overseas. In 1951 he joined Gillette and, in 1957, was named Vice-President of Gillette of Canada, Limited, with responsibilities centred in the Toni Company division.

In his new assignment, Mr. Hall will assume responsibility for sales, advertising and sales promotion for all products of the Gillette Safety Razor Company and The Toni Company, divisions of Gillette of Canada, Limited.

Trend of Business

Exports climb 8.4% over year ago in first six months to a record $2,602 million ($2,401 million last year). June sales abroad totaled $457.4 million, off 11.4% from monthly all-time high of $516.3 million in like 1959 month, but year-to-year gains in earlier months kept total for 1960 to date ahead of last year. Month's exports went to U. S., 257.1 million ($318.8 million year ago); U. K., $82.7 million ($76.5 million); other Commonwealth, $30.2 million ($28 million); all other countries, $87.3 million ($93 million).



Wholesale trade brisk. Wholesalers' turnover rose to $783.9 million in May, up 4% from $753.7 million in like 1959 month. This brought sales in the first five months this year to $3,542 million, 4.6% ahead of $3,388 million a year ago. In May, sales' gains ranged from 0.3% for newsprint, paper and paper products to 11.4% for automotive parts and accessories.

Bigger wage packets. Canada's paid workers received an estimated $1,526 million in salaries and wages in May, 2.6% more than the $1,487 million earned in April and 3% above $1,482 million a year earlier. Labor income rose 4.4% in the first five months this year to $7,395 million from $7,081 million in like 1959 period. All regions shared in the increase in both the month and year to date.

More on the cuff. Balances outstanding on books of sales finance companies at end of May were estimated at $1,201 million, 3.1% above previous month's $1,164 million and 14% higher than $1,053 million a year earlier. Cash loans and installment credit held by companies licensed under the Small Loans Act totaled $513.8 million ($424.7 million year ago) and department store receivables amounted to $295.1 million ($249.6 million).

Steel output picking up. Production of Canada's steel mills in week ended July 23 rose slightly to 109,953 tons from 109,028 tons week before and was 3.2% above 106,543 tons of ingots turned out in like 1959 week. Operating rate edged up to 85.1% of capacity (84.4% previous week) and compares with 87.7% a year earlier (1960 annual capacity is 6.7 million tons vs. 6.3 million in 1959).

Finny harvest lower. Canada's sea fishermen had a smaller catch, both in weight and value, in June as compared with a year ago. On the Atlantic coast, month's landings dropped to 207.4 million lb. (valued at $8.9 million) from 208.9 million lb. ($10.8 million) last year. Pacific Coast catch totaled 16.1 million lb. ($2.6 million), down from 23.5 million lb. ($3.6 million).

Major Weekly Indicators

	Latest or Week	Date Ended	Previous Week	Change from Month ago %	Change from Year ago %
Passenger car production	(July 30)	1,683	5,851	— 63.8	— 24.8
Truck production	(July 30)	836	1,321	— 32.1	— 18.8
Bus. fail. 4-wk. moving av. (no.)	(July 21)	30.3	27.0	+ 16.5	+ 40.9
Steel ingot production .. (tons)	(July 23)	109,953	109,028	+ 10.0	+ 3.2
Steel production .. (% capacity)	(July 23)	85.1	84.4	+ 9.9	— 3.0
T.S.E. industrial index	(Aug. 2)	475.06	474.38	— 2.2	— 14.2
Yield 114 stocks	(Aug. 2)	4.91%	4.91%	+ 0.2	+ 23.7
Chartered banks					
Personal savings . ($ millions)	(July 20)	7,116	7,097	+ 0.6	— 0.3
Loans outstanding ($ millions)	(July 20)	6,212	6,201	+ 1.9	+ 1.5
NHA mtge. hldgs. ($ millions)	(July 20)	982	982	— 0.1	+ 11.5
Bank clearings					
Montreal ($ millions)	(July 29)	930	1,082	+ 13.8	+ 4.7
Toronto ($ millions)	(July 29)	1,479	1,816	— 7.7	+ 7.3
Can. dollar [illegible]	(Aug. 2)	[illegible]	102.485	+ 0.7	[illegible] 1.3
Carloading totals	(July 14)	77,463	67,576	— 0.3	— 5.4
Eastern Canada	(July 14)	50,949	44,365	+ 3.4	— 6.7
Western Canada	(July 14)	26,514	23,211	— 6.7	— 2.8
Iron and steel mfg.	(July 14)	1,035	896	— 1.1	— 29.4
Ores, concentrates	(July 14)	13,720	12,661	+ 17.0	+ 16.5
Base metals	(July 14)	430	429	— 40.6	— 19.8
Lumber, timber plywood	(July 14)	4,449	3,663	— 4.2	— 2.5
Cement	(July 14)	743	604	— 3.4	— 15.6
Bank of Canada holdings of					
Securities ($ millions)	(July 27)	2,734	2,729	+ 2.2	+ 1.6
Short-term govt. . ($ millions)	(July 27)	889	885	+ 6.9	+106.3
Long-term govt. .. ($ millions)	(July 27)	1,769	1,768	+ 0.1	— 19.0
Other securities .. ($ millions)	(July 27)	14	14	...	— 26.3
Department Store Sales					
% change from year earlier	(July 16)	—2.7	+10.3	— 0.2	+ 9.2

Facts by the Month

	Latest Month		One Month Previous	Change From Two Months Ago %	Change From Year Ago %
WHAT WE PRODUCE—					
In all industries (Index)	May	169.9	164.4	—0.4	+2.2
In factories (Index)	May	153.3	147.9	+1.3	+0.3
Total nondurable goods (Index)	May	153.0	147.5	+2.0	+2.0
▪Food and bev.	May	150.2	133.9	+17.5	+3.5
▪Textiles	May	124.7	125.7	—8.9	....
▪Clothing	May	110.2	115.0	—7.9	—3.2
▪Chemical products	May	227.3	224.7	+6.2	+11.6
Total durable goods (Index)	May	153.7	148.4	+0.6	—1.5
▪Iron & steel products	May	143.1	141.2	—2.0	—3.6
▪Primary iron & steel	May	164.9	168.8	—11.6	+2.1
From mines (Index)	May	251.7	234.0	—1.7	+6.8
▪Metals	May	188.9	187.1	—4.1	—3.5
▪Nonferrous smelting, refining	May	158.4	163.1	—1.2	+7.2
▪Gold	May	110.1	106.6	+0.6	—0.1
—From farms					
Cattle delivered (000)	Apr.	136	176	—2.2	+1.5
Hogs graded (000)	Apr	555	689	+1.3	—19.3
▪Grain mill products (Index)	May	132.2	129.3	+1.8	—2.4
—From sea					
▪East Coast catch ($000)	June	8,929	10,021	+203.7	—17.0
▪West Coast catch ($000)	June	2,643	2,054	+246.9	—26.6
—From forests					
▪Newsprint (000 tons)	June	566	563	+3.5	+6.0
▪Pulp (000 tons)	June	932	933	+3.0	+5.7
—In powerhouses					
Electricity (million kwh.)	May	9,368	9,411	—7.0	+7.2
WHAT WE SELL—					
Retail sales ($ millions)	May	1,407	1,422	+11.0	—3.2
Dept. store sales ($ millions)	May	116.5	116.5	+14.4	—0.8
▪Wholesale sales ($ millions)	May	784	696	+2.5	+4.0
Mfrs. outstdg. orders ($ millions)	May	2,178	2,199	—3.1	+8.4
Pass. car sales (units)	May	50,789	50,124	+48.7	+6.5
WHAT'S ON HAND—					
Mfrs. inventories ($ millions)	May	4,479	4,485	+0.1	+2.7
Dept. store stock sales ratio	May	3.0	2.8	—3.2	+11.1
SPENDING, SAVING POWER—					
▪Labor income ($ millions)	May	1,526	1,487	+4.3	+3.0
▪Dividend payts. (Index) (annual rate)	July	321.9	320.4	+0.8	+7.2
JOBS—					
Persons with jobs (000)	June	6,154	5,992	+7.2	+1.7
Jobless seeking work (000)	June	300	399	—42.0	+28.2
Do (% of labor force)	June	4.6	6.2	—44.6	+24.3
CONSTRUCTION—					
Contract awards ($ millions)	June	306	301	—23.3	—6.4
FOREIGN TRADE—					
▪Exports ($ millions)	June	457	486	+23.8	—11.4
▪Imports ($ millions)	May	519	477	+9.0	+2.6
MONEY—					
▪Money supply ($ millions)*	May	12,807	12,809	+1.0	—0.3
▪Cheques cashed ($ millions)	May	22,886	23,221	+0.6	+9.9
▪Life insurance sales ($ millions)	June	543	558	+22.9	—2.2
Notice deposits ($ millions)	May	7,623	7,675	+0.1	—1.6
Current public loans ($ millions)	Apr.	6,113	6,059	+1.2	+4.0
PRICES—					
Consumer prices (Index)	June	127.6	127.4	+0.1	+1.4
Wholesale prices (Index)	June	231.9	231.3	+0.3	+0.6

*Total deposits, less Govt. of Canada deposits, less float, plus notes in circulation outside the banking system.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month		Month yr. ago	Yr. to date	% chge. yr. to date
▪Steel ingots and castings (000 tons)	May	498	480	2,732.1	+16.2
▪Nickel (000 tons)	May	17.2	17.5	86.3	+27.5
▪Primary copper (000 tons)	May	36.9	32.6	181.6	+21.3
Lumber exports (million fbm.)	Apr.	323	390	1,377.9	+5.4
Lumber (million fbm.)	Apr.	515	539	2,478.9	+3.3

▪New item this week.

Index based: production 1949=100; consumer price index 1949=100; wholesale price index 1935-39=100.

Date of issue for your file, The Financial Post, August 6, 1960.

New Life Insurance Sales Down 2.4% in First Half

New life insurance purchased by Canadians during the first six months of 1960 totaled $3,050.2 million, 2.4% below the like period of 1959.

This is the first decline for a half-year period from previous year's levels since 1948.

Behind it is a $115 million decrease in 1960 sales of new group insurance. They were down 13% from 1959's record first-half total of $860 million.

Sales of ordinary life insurance showed moderate increases in the year's comparison for each of the first six months except April.

Life company officials say they are not overly concerned by the relative slackening in new group insurance business.

They point out that a few very large group insurance contracts pushed last year's sales to higher-than-average levels. Some leveling-off was bound to occur, they say.

They do not feel that the market for group life insurance in Canada has reached anywhere near the saturation point.

But they do admit that this year's general slowdown in business and industrial activity has probably persuaded quite a number of Canadian companies to delay their group insurance plans.

One life company also remarked on the hesitancy earlier this year of larger groups in Quebec to commit themselves to insurance plans.

In June, sales of new group life insurance in Canada declined from $153.2 million to $118.2 million in the year's comparison. Sales of ordinary life were slightly higher at $421.1 million.

Industrial life sales rose from $3.4 million to $3.7 million.

This brought total life insurance sales for the month to $543 million, down 5.4% from the $572.7 million bought in the same month last year.

Here is the month's record by provinces of sales of ordinary life insurance as released by the Canadian Life Insurance Officers Association:

	1960 ($000)	1959 ($000)
Alberta	29,000	30,600
British Columbia	38,000	40,700
Manitoba	19,400	18,600
New Brunswick	9,400	8,200
Newfoundland	3,500	2,200
Nova Scotia	13,100	11,900
Ontario	165,700	167,500
Prince Edward Island	1,100	800
Quebec	129,400	123,900
Saskatchewan	12,500	11,700
Total	$421,100	$416,100

Here are the sales figures by months:

	1960 ($000)	1959 ($000)
January	319,000	310,700
February	387,800	364,000
March	398,100	387,300
April	376,400	386,100
May	381,800	379,900
June	421,100	416,000
July	....	385,000
August	....	317,600
September	....	325,700
October	....	369,500
November	....	419,700
December	....	397,400

Fraser Cos. Shipments Up

MONTREAL (Staff) — Improvement in the second quarter put net profit of **Fraser Cos.** in the first half at $1,715,159 (77c a share) or 2.9% lower than $1,766,361 (79c) in corresponding 1959.

Indicated second quarter profit for the New Brunswick-Maine pulp, paper and paperboard producer was 44c a share compared with 40c a year earlier.

Loss from conversion of U. S. to Canadian funds was $146,629 less in the second quarter than for the same period in 1959. This largely accounts for the improvement in profit for that particular period.

Pulp, paper and board shipments in the second quarter were 9% higher than in the first. Total for the six months was slightly less than in first half '59.

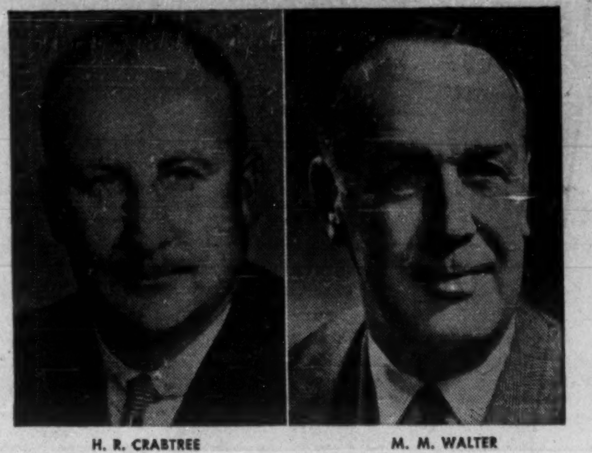
It is expected the new paper machine at Madawaska, Me., will start operating in late August or early September.

MERIT AWARD

Merit award of the Canadian Library Trustees Association has been granted to Dr. Carlyle King, head of the English department and director of summer school, University of Saskatchewan, for service in the field of library work.

ANNOUNCEMENT

SUN LIFE DIRECTORS



H. R. CRABTREE — M. M. WALTER

George W. Bourke, president, Sun Life Assurance Company of Canada, announces the election of H. R. Crabtree, Chairman and President of Woods Manufacturing Company Limited, and M. M. Walter, Chairman and President of the Royal Bank of Canada, as Directors of the Sun Life at the Board of Directors' meeting August 2. Both are directors of a number of other prominent Canadian corporations.

See Boom for Saint John As New Refinery Starts

From Our Own Correspondent

SAINT JOHN — Canada's newest oil refinery (**FP**, Mar. 26) is on stream at East Saint John and the area is looking to three more major projects to spark a further boom:

- **A multi-million** dollar dock in Courtenay Bay to accommodate 50,000-ton tankers.
- **A $7 million** caustic soda and chlorine plant.
- **A causeway** to cut off the head of Courtenay Bay for reclamation as an industrial site.

Plans for the 350 ft. by 100 ft. tanker dock are being prepared by **Foundation of Canada Engineering Corp.**

The chlorine plant has been under discussion for some time. Both **Canadian Industries Ltd.** and K. C. Irving have been looking at prospects.

The causeway is linked with the dock development.

The 40,000 b/d oil refinery operated by **Irving Refining Ltd.** occupies a 700-acre site. A fleet of seven tankers running between Saint John and fields in Iraq and Iran will keep it supplied with crude.

Its products will serve some 2,000 Irving service stations in the Maritimes and Quebec.

A variety of other products will be sold.

There is a production of 20 to 28 tons of sulphur per day. This goes to the Irving Pulp and Paper mill.

Crude lands at the refinery from a temporary dock in Courtenay Bay through a 30-in. pipeline.

In addition to the seven tankers running to the Middle East, company has a fleet of six tankers serving points in the Maritimes and Quebec. Largest are the 20,000-ton tankers Irvingbrook and Irving Glen.

ATLANTIC HOUSING

Starts for the first six months of 1960 in the Atlantic region totaled 987 and completions 1,779. Comparable figures last year for the same period were 1,437 and 1,477. Under construction at June 30, 1960, were 2,046 dwelling units compared to 2,370 last year. Starts for June, 1960, were 440 against 558 for June, 1959, and completions were 309 compared with 262 for the month last year.

"If you want savings where savings count most, ask them to have a look at your paperwork procedures."

CRAIN BUSINESS SYSTEMS
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FOR DETAILS OF REWARDING CAREER OPPORTUNITIES WITH THIS PROGRESSIVE COMPANY, WRITE IN CONFIDENCE TO THE PERSONNEL DIRECTOR, CRAIN BUSINESS SYSTEMS, P.O. BOX 392, OTTAWA.

EDWIN PORTER and fabrics . . .

Energy from Sun, Canadian Ideas His Success Keys

By RAY MAGLADRY

Textile fabric salesman Edwin Porter of Toronto could scarcely make a living 10 years ago.

Nobody wanted his fine lines of imported drapery fabrics.

But two ideas have carried him from business despair into a climb to the top:

- **He branched** into distinctively Canadian products, designed and printed here for our market.
- **He turned** to solar energy for the automatic controls he needed to make big draperies fully effective and practical in glass-fronted modern buildings.

The turn to Canadian designs moved him into the ranks of successful furnishing contractors.

But the solar application—actually a solar "eye" device to control opening and closing of drapes automatically — could prove the big winner for the affable Porter.

He has completed installations in a number of supermarkets and one large bank in Canada.

And now he is forming a U. S. company to get continent-wide distribution.

Porter came to Canada 12 years ago from Scotland where he had been connected with the fabric trade since he was 18 years old. He brought several well-known U. K. product lines with him.

"I nearly starved here," he recalls.

He incorporated his firm, **Edwin Porter Fabrics Ltd.**, in 1955 after seven uncertain years as a manufacturers' agent in Canada.

The pattern changed when he got into design printing himself, custom work, and began landing big jobs for expanding **Loblaw's** chain as well as for banks, notably **Bank of Nova Scotia**.

Then came a problem:

How to use really big draperies for maximum effectiveness without tying up labor for manual control?

Porter turned to electronics experts in the U. S., asked for a solution and got it in the form of a small solar eye which, through a control panel, would activate motors to open and close the draperies.

He has incorporated the idea into what he calls a Solar Controlled Drapery Unit, now installed in more than a dozen supermarkets and other buildings.

"Some window panels in new stores are 23 ft. by 180 ft.—requiring a size of drapery which cannot practically be controlled manually," Porter says. "Without control, the effectiveness of drapes is substantially lessened.

"They should control heat, diffuse light as well as add to the decor."

This means they must be opened when clouds obscure the sun, closed when the sun reappears.

"We're looking for big things in the U. S. because of the potential demand in so many sunny states," Porter says.

Another potential: Solar units for homes.

Porter's firm is already working on a residential unit for marketing later this year.

Porter works closely with designers and hand-weavers, has his installation work done by **Commercial Draperies Co.**

George Johnston, owner and president, will participate with Porter in marketing the solar unit in U. S.

A separate firm, **Porter Designs**, is headed by Porter's son, Tony, and was formed to produce and sell Canadian-designed furnishing textiles.

"Native Canadians were not doing anything like this," Porter says. "We saw a developing market for native designs and jumped in."

Since forming his original company and the design firm, business has climbed steadily about 20% yearly.

Porter looks for even quicker growth once he enters the U. S. market.

His big selling points with drapery fabrics are the savings they effect in air conditioning and refrigeration and, for supermarkets, the protection of foodstuffs from the effect of uncontrolled light.

Here's how his solar unit works:

The "eye" itself is placed in the window to catch the sun's rays. The sensing device sends impulses to a control panel as the sun shines or is clouded. The panel connects to motors which control the draperies.

There is always a time lag before the motors start. That's to avoid opening and closing every time a small cloud covers the sun.

The cost? The solar control adds "only a small amount" in terms of over-all drapery costs, Porter says.

"It can be recovered quickly by the saving in manpower for manual control."

Garment Trade May Set Trend Toward 35-hr. Working Week

MONTREAL (Staff) — The garment trade, which once had notorious working conditions, is now pioneering the shorter work week for Canadians.

Under a contract agreement made public this week some 12,000 garment workers in Montreal will go onto a 37½ hr. week starting Jan. 1, 1962.

The settlement is expected to be a trend-setter for workers in similar jobs in other Canadian garment centres.

Now only 3% of Canadians have work weeks less than 40 hr.

Eventual target of the international ladies' garment workers is to bring the Canadian work week down to the 35 hr. level now in force in the U. S.

For the clothing industry the new agreement means substantially higher labor costs.

Under the agreed three-year contract the employees will receive an average 15% pay hike as well as shorter hours. For Canadian industry in general the agreement means another significant thrust below the magical 40 hr. figure.

Canadian Labor Congress President Claude Jodoin feels strongly that the shorter work week is one of the vital measures needed to beat unemployment. It is expected to become an important plank in future labor platforms in Canada.

Another union that made headlines last year with its decision to demand a 36 hr. week seems to have abandoned its plan for the time being. The National Federation of Pulp and Paper Workers (Canadian and Catholic Confederation of Labor) had agreed to demand the shorter week from Quebec companies (**FP**, July 25, 1959).

But the general upswing in woods activity seemed to blunt union enthusiasm for an immediate change.

THE INVESTMENT FUNDS

Commonwealth Buys Bonds Boosts Assets, Share Value

MONTREAL (Staff) — Net asset value of **Commonwealth International Corp.** at June 30 was $7.83, up 1.3% from $7.73 at March 31.

Net assets at June 30 were $38,987,428, compared with $35,611,852 three months earlier.

During the quarter, fund added extensively to bond holdings. In addition it added to holdings of 32 common and preferred issues.

At June 30 portfolio was divided 8.7% net cash and receivables; 6.3% trustee demand notes; 16.1% bonds and 1.6% preferred stock.

Fund says it has more than 19,000 plan holders participating with the total face value of existing plans exceeding $101 million. This compares with a face value of $75 million at the beginning of the year and $54 million at mid-1959.

Here are the portfolio changes during the second quarter.

	1960 Held at June 30	1960 Change Since Mar. 31
Bonds	($000)	($000)
B.C. Elec. 6½%/90	30	+30
Cdn. Delhi Oil 5½%/73	230	+16
Dom. Found. & Steel 6¾%/74	75	+75
Govt. of Can. 5½%/62	100	+10
Govt. of Can. 5½%/69	1,000	+1,000
Ont. Hydro 5¼%/70	195	+195
Toronto Metro 5¾%/70	100	+100
Prov. Ont. 5½%/70	315	+315
Quebec Hydro 5½%/64	115	+115
St. Lawr. Corp. 6¾%/80	65	+65
Traders Finance 6¾%/75	25	+25
Common & preferred	Shares	Shares
Abitibi	14,500	+500
Alta. Gas Trunk 'A'	5,100	+1,100
Anglo Cdn. P. & P.	1,450	+1,450
Atlas Steels	5,000	+4,000
Bathurst 'B'	3,675	+675
CPR 4% pfd.	186,416	+30,000
Coca-Cola Co.	1,900	+400
Colgate-Palmolive	6,000	+1,000
Columbia Broadcasting Station	4,000	+1,000
Dominion Stores	3,100	+1,100
Dom. Tar	21,000	—3,000
E. I. Du Pont	1,500	+500
Fraser Cos.	6,400	+1,000
General Electric	2,000	+1,000
Gen. Refractories	6,300	+300
Howard Smith	5,250	+1,000
Hudson's Bay Co.	11,000	+1,000
Imp. Tobacco	3,500	—4,500
International Utilities	9,500	+500
Interprov. Pipe	8,000	+1,000
Johns-Manville	1,200	+1,200
Lablaw 'B'	500	+500
Modern Containers 'A'	785	—1,015
Monsanto Chemical	13,500	+1,500
Page-Hersey	6,900	—100
MacMillan, Blo. & P. R.	6,800	—1,000
Radio Corp. of Am.	6,000	+1,500
Shawinigan W. & P.	7,000	+1,900
Simpsons	11,500	+500
Texaco Canada	7,100	+795
Geo. Weston 'A'	6,350	+350

During the quarter 3,500 Bank of Nova Scotia rights were received.

Southam Net Down 6.8%

Southam Co., Toronto, net profit of $1,937,047 for the first six months of 1960 was 6.8% lower than $2,078,697 in the corresponding period last year.

Earnings for the second quarter were down 3.2% at $1,141,338, while the first quarter fell 11.5% to $795,709.

Earnings per share for the half year amounted to 64c against 69c, based on new stock following four-for-one stock split.

Revenue from operations increased 4.5% to $19.3 million while investment income fell 33.1%. President P. S. Fisher reports that increase in operating revenue was mainly achieved in first three months of the year.

Gross expense, including operating expenses and depreciation, were 4.2% higher and provision for income tax was up 10%.

Capital additions for the six months totaled $319,000, ($271,000 in first half of 1959).

Nicholson Printing Co. division moved into a new plant purchased late in 1959.

Trafalgar Post For R. J. Cooksley

Ronald J. Cooksley has been appointed director of industrial development for the Township of Trafalgar, located between Toronto and Hamilton.

Mr. Cooksley has been the Ontario government industrial commissioner in Chicago for the past three years.

Previously, he was an industrial and municipal consultant in the Ontario Department of Planning & Development, Trade & Industry Branch.

Before joining the government service, he was a member of the promotion department of **Ontario Hydro.**

PROPRIETARY DRUGS

Smith, Kline & French Inter-American Corp., Montreal, has formed a new division, Franklin Laboratories, to sell and promote a new product. **Can-Wide Distributors Ltd., Toronto**, has been appointed exclusive distributor. **Spitzer & Mills Ltd.**, Montreal, will direct advertising.

"I'm certainly glad I reserved that Tilden!"

Off the train—*into a TILDEN Chevrolet!* Just a matter of pleasant routine to the businessman travelling in Canada! As a matter of fact, your local TILDEN man can reserve a car for you almost anywhere in the world.

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Stock Exchanges Name Governors

These are members of stock exchange governing committees for 1960:

- **Toronto Stock Exchange:** Eric D. Scott (chairman), G. R. Gardiner (vice-chairman), Marshall Stearns (secretary), F. O. Evans (treasurer), R. O. Funston, G. C. Hevenor, C. P. Lailey, John S. Deacon, J. A. Hackett and L. F. West.
- **Montreal Stock Exchange:** E. H. McAteer (chairman), J. E. Chaput (vice-chairman), W. T. Moran (secretary-treasurer), H. K. Crabtree, F. G. McArthur, H. E. Murray and W. L. S. O'Brien.
- **Canadian Stock Exchange:** S. J. Langhill (chairman), P. B. Reid (vice-chairman), W. L. Downes (secretary-treasurer), A. S. Beaubien, R. C. Bulman, M. G. Ibbotson, E. H. McAteer and E. J. Wright.
- **Vancouver Stock Exchange:** H. W. Lefever (chairman), W. Spence (vice-chairman), J. D. Hagar (hon. secretary), G. M. Tapp (hon. treasurer), J. H. Lamprey, T. E. Pilkington, Bruce Samis, W. E. Thomson, John McGraw, H. R. Whittall, W. T. Brown, A. J. Chilcott.
- **Winnipeg Stock Exchange:** R. G. McCulloch (president), H. Herrndorf (vice-president), R. C. Clifford (secretary-treasurer), J. D. Bulgin, Peter D. Curry, D. N. Knight, J. R. Murray, D. J. McDonald, R. W. Spear.

Important News About CHÂTELAINE

La Revue Moderne

A Great New Medium to Influence Women in French Canada

FERNANDE SAINT-MARTIN
Managing Editor
Mme Fernande Saint-Martin is a distinguished French-Canadian journalist and literary critic. For the past four years, Mme Saint-Martin has been women's editor of La Presse. She joined the paper in 1954 as a feature writer and has been a regular contributor to its literary columns. She has frequently broadcast as a literary critic on CBC.

MICHELLE LASNIER
Associate Editor
Mlle Lasnier was formerly a feature writer for La Presse. Born in Montreal, she obtained her L.Ph. degree at the University of Montreal and L.L. degree at the University of Paris (Sorbonne).

GERTRUDE Le MOYNE
Consulting Editor and Fiction Editor
Mme Gertrude Le Moyne was for six years Editor of La Revue Moderne. She has, for many years, been a judge of French Canadian novels for publication in France and Canada.

ROGER LAFORTUNE
Art Director
Montreal-born, Roger Lafortune studied at l'Ecole des Beaux-Arts in Montreal and graduated with honours in design. Most recently he has been an advertising art designer for several art studios.

SUZANNE DE PADOVA
Assistant Editor
Mme Suzanne de Padova was born in Paris, France and has lived in Canada for the past three years. Before her appointment she did public relations work in Montreal.

HELENE JULIEN
Assistant Editor
Mme Julien was educated in her native Montreal and attended the University of Montreal where she obtained a B.A. degree in Arts and Education and a Teacher's Certificate.

GEORGETTE MORIZET
Copy Editor
Born in Paris, France, she came to Canada in 1954. She was Market Research director for a Toronto Advertising Agency for three years, specializing in marketing to French speaking Canadians.

Seven full-time editors of CHÂTELAINE—La Revue Moderne have now been appointed. They are currently finalizing copy for the initial French-language issue of the first Canadian magazine to be published in both English and French.

Six of the editors will be based in Montreal with one member in Toronto to handle copy and liaison with the English-language CHATELAINE. All members of the editorial staff have French-oriented backgrounds and extensive experience in French-Canadian communications media.

The first issue of CHÂTELAINE—La Revue Moderne is October—on the newsstands September 25th. In addition to the editors shown here, the October issue will carry articles by the following contributors: Jean Hamelin, Lucette Robert Beauchemin, Solange Chalvin, Marc Thibeault, and Jovette Bernier. Also, top-notch novelists are working on stories especially for CHÂTELAINE—La Revue Moderne. These include Françoise Loranger, Guy Dufresne, Marcel Dubé, Lise Lavallée, and Anne Hébert.

AN OPPORTUNITY . . .
The first issues of CHÂTELAINE—La Revue Moderne appear this year and they will get extraordinary attention and depth of readership. Closing dates are: October—August 8; November—September 8; December—October 7; and January—November 8.

CHATELAINE
Published in English and French
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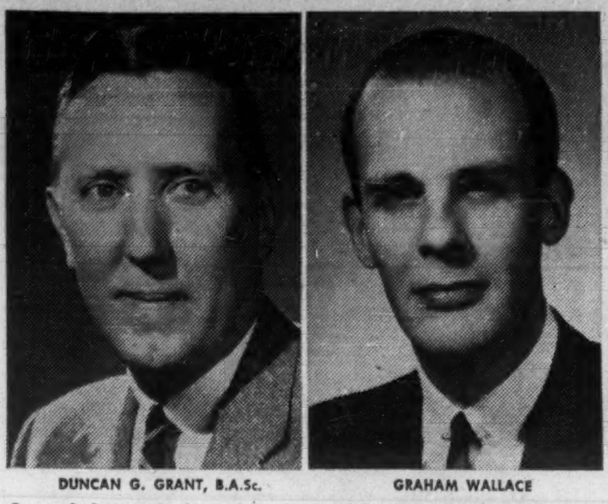
ANNOUNCEMENT

THE BUREAU OF BROADCAST MEASUREMENT



DUNCAN G. GRANT, B.A.Sc. GRAHAM WALLACE

George S. Bertram, President of The Bureau of Broadcast Measurement is pleased to announce the following appointments:

Duncan G. Grant, B.A.Sc. as Executive Vice-President, succeeding Charles A. Burton who has resigned due to ill health. Mr. Grant is Past President of The Advertising and Sales Club of Toronto. For the past seven years he has been Ontario Sales Manager of the E. B. Eddy Company. Previous to this, Mr. Grant spent five years with Dow Chemical of Canada Limited as Sales Promotion and Merchandising Manager of all products. Mr. Grant brings to BBM an excellent background of experience and knowledge and is well known to the Broadcasting-Advertising Industry throughout Canada. He is a member of the Weston Golf and Country Club, The Carlton Club of Toronto and Board of Trade.

Graham Wallace as Members Relations. He brings to the Bureau a great deal of Public Relations and Promotional experience. He was previously connected with the C.B.C. and latterly with Commerce Clearing House (CCH Canadian Limited).

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SHERBROOKE LONDON

News and views on the British securities markets, specially written for FP by one of London's distinguished financial writers.

U.K. Export Drive Faltering, Problem for New Chancellor

A LONDONER'S FINANCIAL NOTEBOOK

WITH THE departure from the Treasury of Derick Heathcoat Amory, a new chapter opens in U.K. financial management.

In his 2½ years as Chancellor, Amory had created the image of a well-meaning but cautious guardian.

Though ready to give encouragement where due, he had also shown himself anxious to prevent the family from over-spending.

His period of office was mainly one of business expansion, both in output and exports, with the motor industry leading the way.

For the past few months, however, there have been signs of overstrain in the economy, with the consequence that a tighter control has been imposed over credit and Bank Rate has been raised to 6%.

The main trouble now is that, to a large extent, the export drive has run out of steam. Hence the Prime Minister's call to businessmen to venture forth and sell more goods abroad.

Selwyn Lloyd, who takes over at the Treasury, earned respect as a hard-working Foreign Minister, but is an unknown quantity in the field of finance.

One of Amory's last policy moves was to apply the brake to an over-strong home demand. Lloyd's first task may well be to get the economy moving again, with home and export trade in balance.

The central problem of U.K. economic planning is how to foster expansion without incurring inflation and an adverse balance of payments.

If Lloyd can solve this riddle, he will indeed be a Chancellor to remember.

• • •

Final Board of Trade returns for the first half of 1960 show that in most of the main areas, exports fell between the first and second quarters of the year.

The decline was most marked in shipments to the U.S. Exports to this market were, in fact, down by 11% in the last quarter compared with a year ago.

The position is better in regard to Canada, though U.K. sales have tended to flag over the last two or three months. The June total, for example, was £14.9 million, compared with £15.2 million in June, 1959.

In regard to the U.S., the fall in motor-car exports has been largely responsible for the recent downturn in U.K. sales.

June shipments were valued at £3.9 million, against £10.1 million in May and £6.9 million in June, 1959. Exports of wool textiles and electrical goods to the U.S. have also fallen off.

U.K. exporters have been tending to lose ground in the sterling area, though shipments to the Common Market countries of Western Europe have increased.

The recent decline in sales of U.K. cars to North America also extends to Canada. It is attributed here to keener competition, notably from the U.S.-built "compacts".

• • •

So far, the companies hardest hit in the American market have been **Ford** and **Vauxhall**, both of which are U.S.-controlled. Improved sales elsewhere have enabled Ford to maintain its output rate.

British Motor Corp. has been able to maintain its sales in the U.S. at last year's level. This is probably due to some extent to its relatively large output of sports cars.

In its financial year which ended on July 31, B.M.C. produced a record 656,577 vehicles, according to provisional figures.

This total was 35% higher than in 1958-59 and 30% above the previous record, established in 1957-58. The North American market took 110,340 vehicles — more than the company had expected.

Even more impressive has been the performance of **Jaguar,** which recently acquired the old-established **Daimler** business.

The company has entered into contracts for 1961 which will result in the shipment of a record number of cars to the U.S.

Sales to Europe have increased substantially and difficulty is still being experienced in meeting demand.

Plans are being pressed forward for a further expansion of Jaguar output.

• • •

Holiday influences have combined with economic and other uncertainties to keep stock markets in low gear.

Some alarm was caused by the mid-July bank returns, which showed a £99 million rise in advances to £3,356 million.

This gave rise to fears of a further curb on lending. But it appears that a large part of the increase can be attributed to the addition of normal quarterly and half-yearly interest charges.

There is still plenty of good profit and dividend news from the industrial front, and the tone of markets continues to benefit from the unwillingness of U.K. investors to part with good stock.

The average Englishman is just as phlegmatic about investment matters as he is in most other things.

It's BLACK and WHITE

and read all over!

Informed businessmen wishing to *stay* informed read the Bank of Montreal Business Review regularly. Here, in black and white, is a concise monthly spotlight on the Canadian business scene that's invaluable in keeping you abreast of economic affairs. And it's read by businessmen all over the world! There's a personal copy available for *you* each month—mailed free of charge—at the Business Development Department, P.O. Box 6002, Montreal 3, P.Q. Drop us a line today!

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SD 285

Bell Net Rises In First Half

MONTREAL (Staff) — First half net profit of **Bell Telephone Co. of Canada** was $25,913,578 or $1.23 per share, an increase of 9.7% over the same period last year when company had a net profit of $23,607,032 ($1.21 a share).

Revenues were 8.4% higher, and expenses rose by 6.3%.

President Thomas W. Eadie said that during the first six months of 1960, Bell added 93,800 telephones to those in service, 8,400 more than in first-half of 1959, and carried 6% more long distance calls.

The limited rise in expenses, he said, reflected the continuing success of company measures to control both administrative and operational costs.

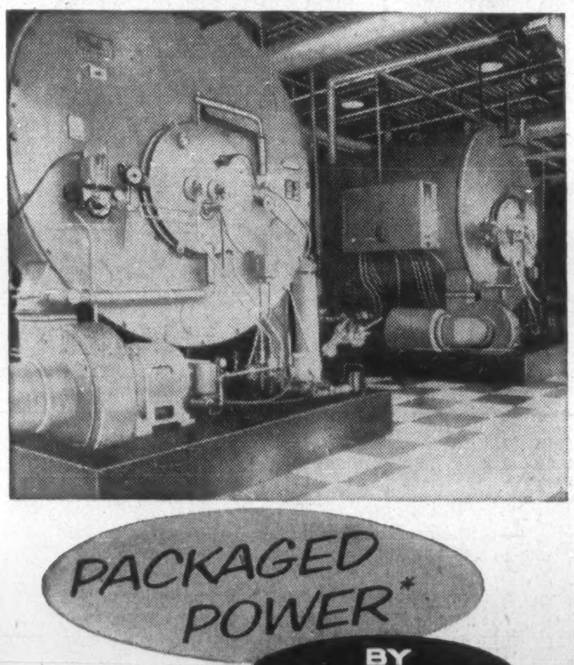
Use of extension telephones is increasing, and they accounted for more than a third of the company's growth in the half year.

Here are the first-half details:

First half:	1960 $	1959 $
Total op. rev.	197,807,216	182,487,651
Less:		
Total op. exp. ..	133,341,679	125,421,031
Income taxes	23,036,000	20,670,000
Other taxes	8,503,000	7,382,000
Add:		
Other income	3,815,024	3,906,840
Less:		
Fixed charges ...	10,827,983	9,314,428
Net profit	25,913,578	23,607,032

TOP REALTORS

Two Toronto realtors, Mrs. Isobel Campbell and H. W. Bleasdell, both members of **H. W. Bleasdell Ltd.**, Toronto, received the highest marks among 233 realtors in Canada who wrote the Canadian Institute of Realtors' examinations this year. Those who successfully complete the prescribed three-year course and have at least five years' active experience in the real estate field are eligible to become fellows or associates of the CIR.



PACKAGED POWER* BY VOLCANO

Canadian Pacific Diesel Shops, Nelson, B.C.

Equipped with three 500 H.P. Volcano Starfire high-pressure steam boilers, Canadian Pacific's Diesel Shops at Nelson, B.C., are among the many important structures in which Volcano boilers have been installed. Included are shops, plants, public utilities and government buildings, leading hotels, office and apartment buildings, universities, colleges, schools and institutions from coast to coast.

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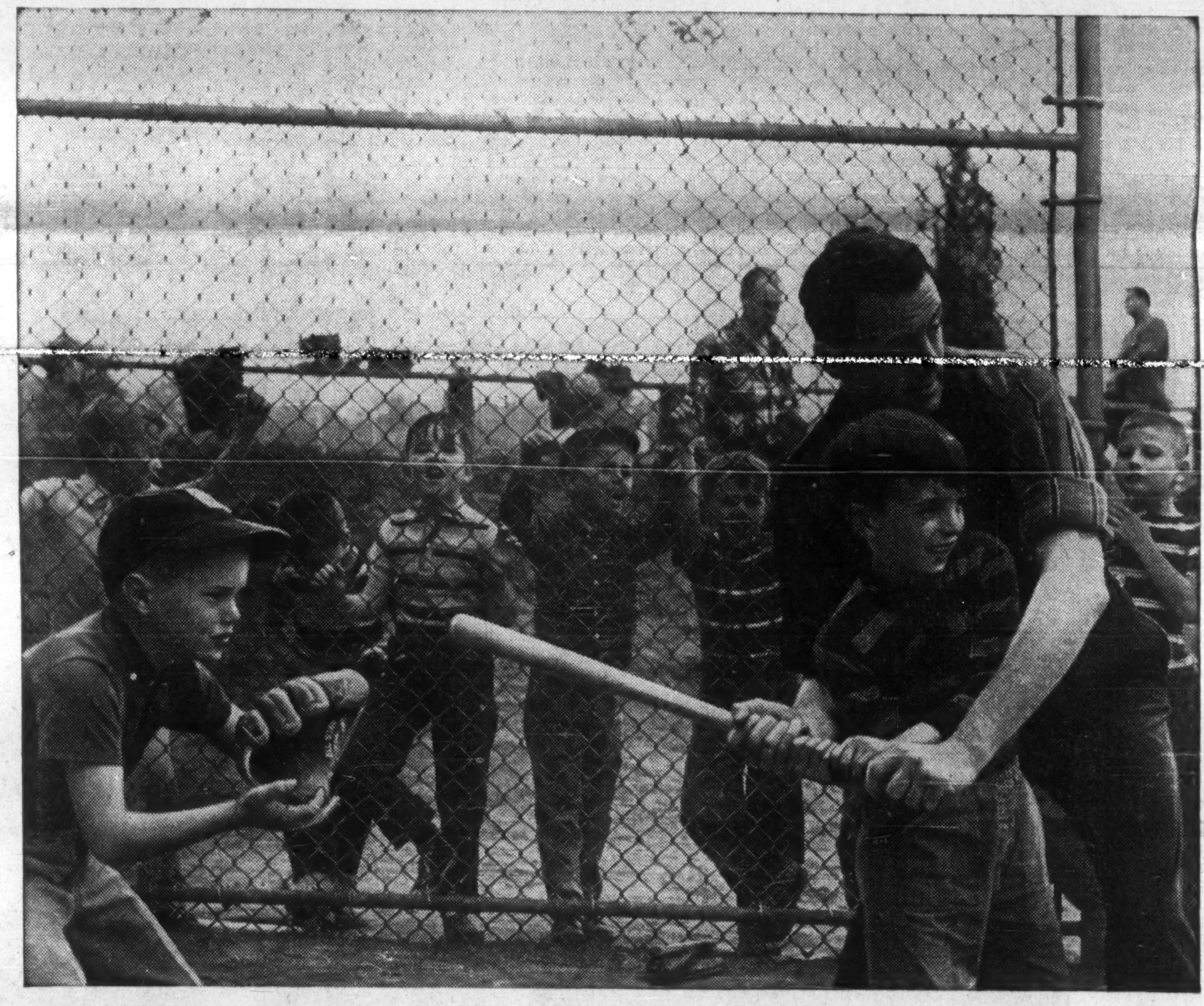

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THE BIG FEW: FOUND IN STRENGTH AMONG THE READERS OF TIME

TIME

The Weekly Newsmagazine

POST TRAVEL BUREAU

Where to go—how to go—where to stay

Theatre Makes Return As Bermuda Attraction

There's always something new going on in Bermuda. And this summer, visitors are enjoying a host of new features from entertainment to transportation.

The theatre, as a regular feature in Bermuda life, is new. It's the result of last year's successful 350th anniversary drama productions.

When the lively little theatre group (including many Canadian actors) stopped performances in the old **Bermudiana Hotel** some years ago, there was nothing to take its place — until last year.

Now the Festival Theatre Guild (with assists from U. S. repertory group and Broadway stars) is in the midst of a successful summer festival season. It is to be an annual event.

This season's playbill has included works by Shakespeare, Shaw, Chekhov and a musical play by Schnitzler.

There will be opera in August (Mozart's Cosi Fan Tutti) and other attractions are planned for fall.

Productions this summer are being staged in the out-door Festival Theatre in Prospect Park (built for last year's special events) and the new, air-conditioned City Hall Theatre in Hamilton.

There's more accommodation. The new Bermudiana Hotel, which opened earlier this year and the additions to **Harmony Hall** and **Elbow Beach Surf Club** have increased hotel space. Other hotels are adding more rooms and renovating their premises.

Now most hotels and guest houses have private swimming pools. Newest is at **Inverurie Hotel.**

Bermuda accommodation — which ranges from cottage to deluxe hotel room — costs from $10 to $25 per person (double room) per day and including two meals.

There's new emphasis this year on skin diving — and Bermuda is one of the best places in the world for this sport.

You can dip below the surface to look at (or photograph) colorful plant and animal life. Or you can explore one of the many ancient shipwrecks that lie in Bermuda waters.

Three local divers have formed the **Bermuda Divers Co.,** which operates "guided dives". The "package" includes lunch aboard the company's specially fitted boat Shearwater.

All dives are well supervised, and divers are pre-checked for competence. If you don't "pass", you can take lessons.

For less adventurous students of the underwater world, there are glass-bottom boat excursions. And this year there are bigger and more comfortable craft available for such tours. A half-day trip costs about $4.

There's another 18-hole golf course — since **Castle Harbour Hotel** completed its second nine holes last winter. This brings Bermuda's total to four, 18-hole championship links.

There are new, fast planes to whisk you to Bermuda:

- **Pan American** is already flying jets from New York.
- **Eastern** will start jet service this month from New York with Electra connections from Montreal.
- **BOAC,** now flying Britannias from Montreal and New York may have pure jets in Bermuda service before the end of the year.
- **TCA,** flying from Toronto and Montreal, will introduce prop-jet Vanguards on its Bermuda routes early winter.
- **Eagle Airways** operates Viscounts from New York.

Return fares from Toronto and Montreal: $141 tourist, $183.60 first class plus $10 for jet travel in either class.

For a leisurely sea voyage, there are 42-hr. voyages in **Furness Bermuda Line's** crack liners Ocean Monarch and Queen of Bermuda. Return fares start at $125.

Costs Little More Air Fare To See Bermuda After Europe

You can relax on Bermuda beaches before or after your European trip, and it will cost you very little more in air fare.

Here's how the fares compare:

First class from Toronto to Bermuda to London and directly back to Toronto costs $862.10.

There is no jet service between Bermuda and London or between Canada and Bermuda. But if you travel by jet from New York to Bermuda and return to Toronto from London by jet, surcharges will boost the triangle route fare to $921.10.

Roundtrip, first class fare by jet, Toronto to London is $920.80.

On Oct. 1 **BOAC,** now operating first class Bermuda flights between Bermuda and London, will introduce economy-class service on this route.

Then the cheaper fares will compare this way:

Toronto-New York-Bermuda (jet) — London-Toronto (jet) will be $485.20. Roundtrip, Toronto to London by jet: $489.20.

In addition to BOAC's Bermuda-London service, there is service to Lisbon from Bermuda via **Avianca** and **LAV** (Venezuelan airline). **Eagle Airways** may introduce service to London in the fall.

N.S. Tourist Boom Still Going Strong

From Our Own Correspondent

HALIFAX — Nova Scotia's booming tourist industry is expected to shatter all records this year as the province continues to ride the crest of a three-year rush of visitors (**FP**, May 14).

The provincial tourist bureau is confident returns will reach $50 million, up from $45 million in 1959.

The province started the year with a tourist promotion budget of $680,000, up 18%.

Color advertising was used extensively and it is paying off.

Here's what has been happening:

- **Inquiries** to the end of June increased 20%.
- **Mailing** of information increased 50%.
- **Automobile traffic** at the Amherst check point was up 20%.

The Industrial Loan Board is doing its part with loans to builders of sadly needed tourist accommodation. In the six year ended Dec. 31, 1959, 40% of loans approved by the board were directed into some aspect of tourism.

UTELL INTERNATIONAL, representing 110 hotels in Europe, North America, Mexico and the Caribbean, has opened its second Canadian office at 1455 Peel St., Montreal. Directing Montreal operations will be Mrs. Muriel St. George. Head office for Canada is at 112 Yonge St., Toronto. Canadian manager: Mrs. Frances Booth.

* * *

TOURISTS ARRIVING in Israel are no longer required to declare the amount of currency they take into the country. And they may now reconvert up to $200 (U. S.) upon departure.

New Handbook To Fun, Profit In Bahamas

Canadian businessmen looking to Bahamas will find the new Bahamas Handbook and Businessman's Annual of special interest.

Edited by Etienne Dupuch Jr. and S. J. Perfetti, the 375-p. book contains well-written articles by experts in many fields of Bahamas life.

While the obvious tourist delights of swimming, sailing, golf, are fully described, much space is devoted to business, finance, government, etc.

In the business section a chapter explains Bahamas' favorable tax climate — no personal or corporate income tax, inheritance tax limited to 4% probate duty on personal property, and an inconsequential levy on improved property.

Another chapter describes the growth of tourism. The visitor count has grown from 32,000 in 1949 to 244,258 in 1959 (5% of the yearly visitors are from Canada). There are also sections on Nassau's growing importance as a convention centre, banking, and the Grand Bahama Island freeport.

The book includes plenty of interesting historical pieces such as chapters on bush medicine (type of Bahamian folklore), rum running and Goombay (language of drums). Another chapter deals with the Duke of Windsor's governorship and the murder of Sir Harry Oakes.

Available from: Bahamas Handbook and Businessman's Annual, P.O. Box 958, Nassau, Bahamas. Price, including postage: $5.50.

ROUND - THE - WORLD TOUR is offered to a limited number of travelers by Toronto travel agent **O. K. Johnson.** The 44-day holiday, which starts from Vancouver, Oct. 8, features Japan, Hong Kong, Singapore, Thailand, India, Pakistan, Egypt, Greece, Turkey and Italy. An extension from Hong Kong to Red China is planned providing visas are granted. All-inclusive price for the basic tour: $3,155 with first class air accommodation, $2,535 tourist or economy. China extension: $325.

* * *

GUESTS AT CANEEL BAY PLANTATION, St. John, V.I., are offered day sightseeing tours (by boat and plane) to the other U. S. Virgin Islands of St. Thomas and St. Croix. Tour to St. Croix, largest of the island trio, features five hours sightseeing. Cost: $17.50.

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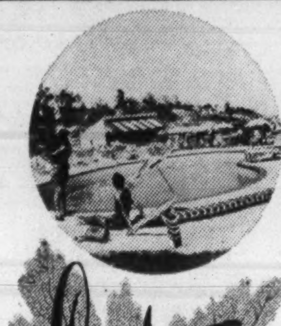

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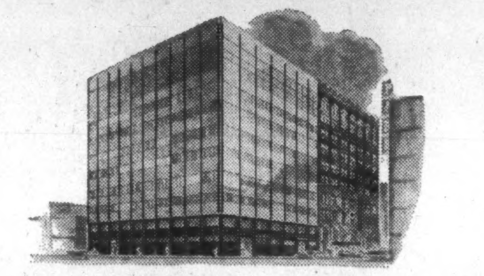

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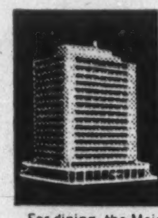

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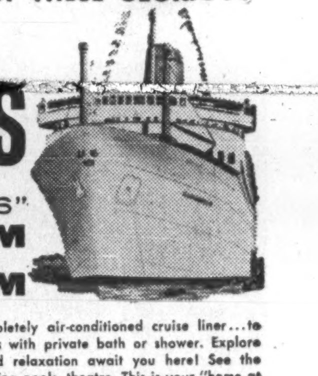

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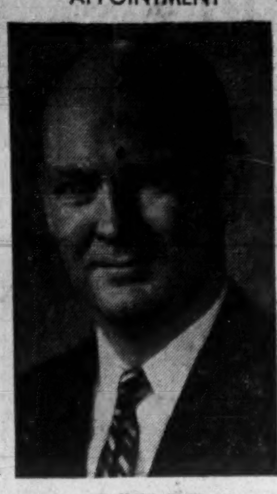

D. H. W. BATH

D. H. W. Bath, whose appointment as Assistant Manager at Hamilton has been announced by The Royal Trust Company. Since joining the Company in 1946, he has served in positions of increasing importance and responsibility at Montreal and Toronto, more particularly in Estate planning. Active in community affairs, Mr. Bath is Vice-Chairman of the Hamilton District Industrial Commission, a member of the Board of Governors of Oakville-Trafalgar Memorial Hospital, and Chairman of the Trafalgar Library Board.

Parliament's Business

By FP's OTTAWA STAFF

If Exported—No Combine

PARLIAMENT hoped to finish its business for this session by week's end.

The rush toward a conclusion was apparent last week, too. Yet debate produced a number of thoughtful signs, portents and remote possibilities about things to come in the trade and economic sphere.

Example: Final rounds on Justice Minister Fulton's anti-combines amendments.

At the last minute, he introduced a new one designed to except from the law combines arrangements applicable only to Canada's export trade—provided they do not:

- **Freeze or decrease** the volume of Canadian exports.
- **Injure or restrain** the export business of any Canadian company not a party to the arrangement.
- **Restrict entry** of new blood into the export business.

Fulton explained the amendment — finally accepted this week with all the others—thus:

"First, whether we like it or not, in international trade there is a tendency toward association or cartelization, and whether we like it or not this is the situation within which our industry must compete for markets in international trade."

Second, "we are faced with the massive communist organization . . . as a competitor, and increasingly this great force is entering into international trade with the whole weight of the state behind it."

The amendment, he added, should improve the competitive position of Canadian exporters "against the forces present in the world today."

Supporting the amendment, Liberal J. W. Pickersgill also spoke of "the forces present':

"There has been a shift in the world economy from a shortage to what may perhaps be described as a superabundance of supply in many lines.

"The methods of trading — not merely of Soviet Russia and Red China—but of many other countries are undergoing profound structural changes that are going to make our problems very much more difficult."

CCF spokesmen Frank Howard, Skeena, and Douglas Fisher, Port Arthur, argued that the last-minute amendment wasn't necessary.

Fisher argued that, eventually, Canada will be able to meet competition for international markets only with "some kind of marketing arrangement with government sponsorship and government participation."

He appeared to have in mind a sort of national marketing board that would handle most, or all, of Canada's exports, competing on a country-against-country basis, rather than industry-against-industry basis.

* * *

EARLIER, Richard A. Bell, parliamentary secretary to Finance Minister Fleming, read a government report to the Commons on the recent (July 22-23) Paris meeting of Western nations intended to revivify the Organization for European Economic Co-operation.

To the 18 European members of OEEC would be added Canada and the U. S.

The new body would be known as the Organization for Economic Co-operation and Development.

Should it prove a success, here's what OECD might one day mean:

- **A steadily dwindling likelihood** of any substantial return to higher tariff protection for Canadian industry and manufacturing.
- **An international market** where co-operation is gradually given more emphasis, rather than competition.
- **Gradual development** of an international community where each country tended to provide what it is best equipped to—in short, greater inter-dependence and less self-sufficiency.

"The new organization," the government Commons statement said, "will, it is expected, have three main functions":

- **Provide a forum** for consultation about economic policies of member governments.
- **Stimulate and co-ordinate** more closely the efforts of more advanced countries to assist less developed countries.
- **Promote the expansion** of trade on a multilateral, non-discriminatory basis.

Should Canada get out of the General Agreement on Tariffs and Trade?

"The 20 countries were all agreed that any trade activities of the new organization should be fully in accordance with the obligations of member countries to GATT and the International Monetary Fund," the government statement said.

Liberal Leader Pearson drew attention to reported plans of the U.S. to suggest the new organization's trade committee be given what he described as "rather extensive" powers to deal with general trade policies of member-countries.

Would this be a step toward a sort of international planning board?

The government statement said:

"While the OECD will not constitute an exclusive or inward-looking economic bloc in any sense, Canada hopes that it will help to further a harmonious spirit of co-operation among the countries of western Europe and Canada and the U.S., and in this way strengthen the free world."

Prairie Airports Assured Service

Special Correspondence

MEDICINE HAT — Federal Transport Minister George Hees has assured Medicine Hat and the southern Prairies that the area will have a scheduled air service (**FP**, July 30).

At an informal breakfast meeting here Hees told a small group of city aldermen and Chamber of Commerce officials:

"An application for abandonment of any service must be submitted to the Air Transport Board," he said.

"No such application has been received from **Trans-Canada Air Lines** in respect to the Prairie service, and should there be one I would not advise granting it at this time."

The meeting was arranged to discuss with Hees the problems facing Medicine Hat and other small cities on the Prairie run, when TCA replaces its DC-3 aircraft with larger Viscounts.

Airports at Medicine Hat, Swift Current, Yorkton and Brandon are not large enough to accommodate the turbo-prop Viscounts and the federal government has said air traffic at these points is not heavy enough to warrant extension of present runway facilities or construction of new airports.

An Invitation to Montrealers

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FP-360

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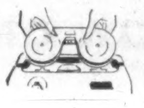

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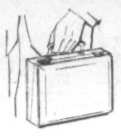

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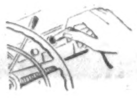

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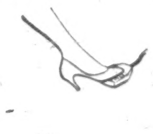

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ANNOUNCEMENT

DARE FOODS LIMITED APPOINTMENT

J. J. TENNIER

Mr. K. K. O'Hara, Executive Vice-President, concurring with recent expansion plans and corporate changes, recently announced by Dare Foods Limited, announces the appointment of Mr. J. J. Tennier, P.Eng., as Product Development Manager responsible for production at the Dare Potato Chip plant, Toronto, and the Dare Apple Products plant at St. Jacobs, Ontario. Mr. Tennier, formerly associated with Procter and Gamble Co. of Canada Limited, has had wide experience in the products development field.

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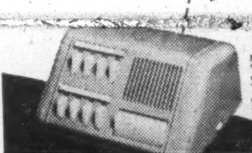

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European Roundup

Italy a Good Bet For You to Watch

By ERNEST WAENGLER

ITALY is often quite wrongly regarded as the poor relation within the European Common Market.

To prove that Italy's economic miracle does not have to take a back seat to the better publicized achievements of West Germany and France, the government has just published some startling figures:

Annual Production	1950	1959
Petroleum (tons) ...	8,000	1,695,000
Synthetic fibres (tons)	nil	22,000
Steel (tons)	2,300,000	6,700,000
Typewriters, calculators (units) ...	167,000	679,000
Automobiles (units).	80,000	470,000

Exports of automobiles increased from 25,000 in 1950 to 218,000 in 1959; of shoes from 302,000 pairs to 17,500,000 pairs.

A further step toward trade liberalization was taken last month when imports from the dollar area were liberalized to 93% instead of the former 90%.

At the next GATT meeting, Italy will announce the date at which all dollar imports are to be completely free from quantity restrictions.

Canadian trade with Italy is showing some encouraging signs of expansion.

Our exports to Italy in the first four months of 1960 were $11.5 million, compared to $9 million for the same period last year.

Biggest export items: Wheat, cod, frozen eggs, wood pulp, aluminum, pig iron, nickel, asbestos and synthetic rubber.

Imports from Italy to Canada are up 20% for the first quarter.

* * *

NETHERLANDS has removed quantitative restrictions from the import of a number of products.

These include: Pigs, milk and cream, butter, eggs, various types of vegetables and fruit, seed wheat, barley and oats, and sodium nitrate.

* * *

CANADIAN exporters of tobacco and tobacco products should watch a development in France that may start a trend in the future of European tobacco monopolies.

The sale of certain foreign-made cigars and cigarettes through the French state-controlled tobacco vendors was authorized for the first time last month.

So far, only products made in Belgium, Holland, Luxembourg and West Germany are included.

As in many European countries, the manufacture and sale of tobacco products are a state monopoly in France.

However, in the European Common Market Treaty, member countries undertook to do away with discrimination toward other members resulting from national monopolies.

Up to now, France's ECM partners could only sell tobacco products within the "global quota" of 1% of total French cigarette sales and 3% of cigar sales.

Nobody expects an immediate change in the global-quota system, but there is a possibility that the quotas themselves may be handled more liberally in the future.

* * *

ALTHOUGH France has been spectacularly successful in balancing its foreign trade, the export offensive is being stepped up with a series of new measures.

Medium and small enterprises with less than 500 employees are encouraged to form export co-operatives.

Members of these "groupements d'exportateurs" are granted special depreciation allowances and other tax privileges.

The official "Foreign Trade Centre" has now been reorganized and is conducting its own market research and publicity program in foreign countries.

In the first five months of 1960, France exported for $2.9 billion and imported for $2.7 billion. In the same period last year, exports and imports were balanced at $2.1 billion.

The import of 40 different industrial products from the dollar area has recently been liberalized, including synthetic rubber, one of Canada's major export items to France.

Canadian exports to France in the first four months of this year were 80% higher than in the corresponding period of 1959.

* * *

THE BOOM in Austria has produced new records in trade and production.

At the moment, labor shortages in all areas of industry are regarded as the only limiting factor to further expansion.

Of 52,000 registered job applicants in June, only 20,000 are described as "conditionally fit for full-time work."

In the first quarter of this year, gross national product was 9% higher than in the first quarter of 1959. Industrial production was up 10.7%, car loadings 15%, productivity 6%.

Although the Austrian government is pursuing a tight money policy and is reducing its own capital investments, gross investments are up 14% over last year, private consumption of consumer goods 7% in terms of real value.

Austria's biggest trade partners are West Germany and Italy, both members of the Inner Six (Austria belongs to the Outer Seven). Third place in imports from Austria is held by the U. S., **in exports from Austria by the Soviet Union.**

Canadian exports to Austria have increased about 7% over last year, imports from Austria almost 20%.

Emco Sales Hold In First Half

Despite reduced housing starts, first-half 1960 sales of **Emco Ltd.**, London, Ont., are at the same level as sales in the first six months of 1959.

President J. H. Stevens told shareholders that this is a result of diversification of both commercial and industrial sales.

He anticipates that 1960 earnings will be more than adequate to cover dividends at present rate of 50c per annum.

U.S. Protectionists Hot Over Coming GATT Talks

From Our Own Correspondent

WASHINGTON — The U. S. protectionists are working up a head of steam over the coming GATT negotiations.

The U. S. Tariff Commission has been holding hearings on the U. S. GATT "offer list" for the last couple of weeks and will continue them for another seven weeks.

Representing nearly 300 companies and trade organizations, 450 witnesses will parade before the Tariff Commission, most of them seeking to chop down the "offer list".

There are 2,500 items on the list on which the U. S. has indicated it may cut tariffs in exchange for tariff reductions on U. S. exports.

There are 150 items of particular interest to Canada on the list, worth about $323 million a year in exports to the U. S.

So far, none of the items in which Canada is interested has come under particular attack. They will, however, before the hearings are over.

At the Geneva tariff-cutting session, Uncle Sam will have authority to reduce tariffs by 20%. Thus any cut of this size means more dollars in Canadian pockets if a Canadian product is negotiated.

The current lengthy hearings give American companies a chance to cry for help. If the cry is loud enough and the company convinces the commission it would be seriously hurt by any tariff cuts, that particular item would be taken off the list.

So far as Canada is concerned, the biggest item on the list is nickel. We have $113 million a year nickel exports to the U. S. at the current rate and although the tariff rate is very low, any reduction would be welcome.

U. S. nickel companies are expected to ask that nickel be taken off the list, but they are not given much chance of success.

U. S. whisky makers also are expected to complain about the U. S. willingness to cut whisky tariffs. Canada ships about $72 million a year worth of whisky into the U. S.

The U. S. aircraft industry may also try to knock out of the list airplane parts. Last year Canada sent into the U. S. $37 million worth of airplane parts and this export is increasing.

Trade officials, however, feel that most of the 150 items in which Canada is interested will survive the nine week protectionist assault before the Tariff Commission.

Union Acceptance '60 Net Up 6.8%

Union Acceptance Corp., Toronto, consolidated net profit for the six months ended June 30, 1960, was $211,513, up 6.8% from $198,042 in similar period last year.

"Indications are that operations for the second half of the year should be satisfactory," reports President G. Fleming Edgar.

Reserve for unearned income amounted to $2,145,698 at June 30, compared with $1,920,015 a year earlier, an increase of 11.75%.

Here is Union's statement:

6 Mos. ended June 30:	1960	1959
	$	$
Operating profit	613,333	532,250
Less: Interest	211,472	150,184
Income taxes	190,348	184,024
Net profit	211,513	198,042

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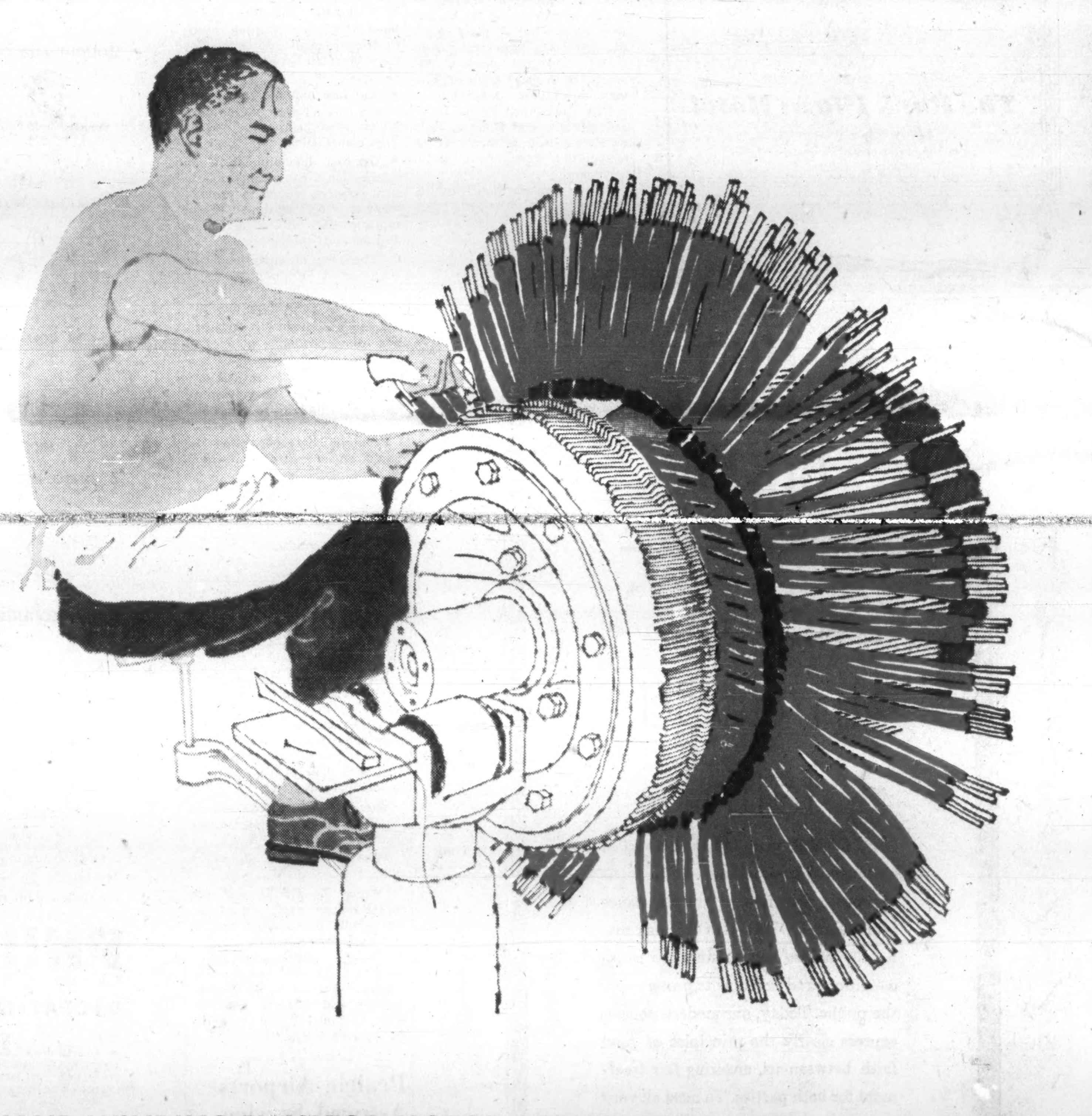

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ANNOUNCEMENT

MARTIN PAPER PRODUCTS LIMITED

H. V. TOWNSEND

The following appointment is announced by George B. Hills, Jr., Vice President, Martin Paper Products Ltd., a subsidiary of MacMillan, Bloedel and Powell River Limited:

H. V. Townsend is appointed General Manager and will be responsible for the operations of Martin's five corrugated container plants located in St. Boniface, Manitoba; Regina, Saskatchewan; Calgary and Edmonton, Alberta; and New Westminster, B.C. Mr. Townsend formerly was Manager, New Westminster Plant. Mr. Townsend and the Martin Head Office group, formerly located in Winnipeg, will be located in the MacMillan Bloedel and Powell River Building, 1199 West Pender Street, Vancouver, B.C.

Hefty Profit In Divorces

Canadians who obtain divorces through Parliament pay an average $1,100 in expenses in the process — including a $210 fee to the Senate Divorce Committee.

This makes the committee the only one in Parliament to show a profit on its operations.

By DON PEACOCK

OTTAWA (Staff)—Measured in unemotional dollars, parliamentary divorce has grown to a $500,000-a-year industry.

By presiding over the break-up of marriage, the Senate Divorce Committee apparently is the only committee of Parliament that could show a profit on its operations — if it tallied income against costs.

At this session, 609 persons applied to the committee, where all parliamentary divorce proceedings start, for release from marriage.

The senators heard and recommended 492 divorces — 486 for Quebec residents, six for Newfoundlanders.

Fees paid into the federal treasury for this session's divorce operations totaled $102,655 from petitions heard and recommended.

"There's considerable profit in that, over the committee's expenses," Sen. Arthur Roebuck, chairman of the Senate Divorce Committee for the last seven years, told **FP**.

"We are the only committee in Parliament, I guess, that makes a profit on its operations."

But the usual $210 fee the Senate committee charges for each divorce is only a fraction of the final price for having Parliament dissolve a marriage.

In a cost check of 15 cases, the committee found:

- **Most expensive:** $2,500.
- **Most economical:** $600.
- **Average:** about $1,100.

Besides the $210 Senate charge, there are fees for:

- **A lawyer** — as low as $150, as high as $800 and more.
- **Private investigators** gathering evidence of adultery — only ground recognized by Parliament — rarely below $100, usually considerably higher.
- **Advertising** intention to petition for divorce once a week for four weeks in the Canada Gazette and two local newspapers. Usual cost: $90.

This last cost likely will disappear by next session. Sen. Roebuck feels advertising a divorce petition is tantamount to accusing a spouse publicly of adultery without requiring proof and expects Parliament to drop the requirement.

If a petitioner pleads financial hardship, the Senate committee often reduces the $210 fee. It did in six cases this session.

The Commons committee, which usually only reviews Senate hearings makes no charge.

But multiply $1,100 by 609 divorce applications and you have money changing hands to the tune of $669,900 for this session's operations alone.

In the seven years Roebuck has been Senate committee chairman, it has approved nearly 3,000 divorces.

Why Divorce Is Handled By Parliament

OTTAWA (Staff) — To all intents and purposes, the only divorce ground in Canada is adultery. Extreme cruelty is recognized in Nova Scotia because it was recognized there before Confederation in 1867 and this was carried forward when the province became part of Canada.

But while Parliament has the sole power to pass divorce laws, the provinces have the say over administration of the laws. The same is true of the Criminal Code.

Because Quebec and Newfoundland prefer that their courts not be called upon to administer Canadian divorce laws, Parliament has had to do this job itself.

All other provinces handle divorces in their courts. It wasn't always so.

Only since 1930, for example, have Ontario courts dealt with divorce — at Ontario's request.

Before that, Ontario couples had to ask Parliament to make their break official and final.

BUILD INSTITUTE

SAINT JOHN — **Modern Construction Co.** has been awarded a **$1,550,000** prime contract to build the new provincial Technical Institute at Moncton. Work will start this summer.

How Lincoln Magor Takes Machinery 'to Newcastle'

Lincoln Magor, president of **Retor Developments Ltd.**, Galt, Ont., is a man who has blithely ignored the old warning about "carrying coals to Newcastle."

He's crashed the tough U. S. market and broken into a particularly tough segment of it, the machine tool field, with his Mimik hydraulic tracer.

His all-Canadian company is only three years old but last year its sales volume included over $1 million in the U. S.

He has just incorporated a U. S. subsidiary to handle his zooming sales of Mimik hydraulic machine tool tracer attachments.

In the fall, he'll be visiting London, Eng., to establish distributors and has plans for expansion in Europe.

List of U. S. customers includes **Pratt & Whitney, Allis-Chalmers, Caterpillar, Bendix, G.E.C., I.B.M., International Harvester, Timken** and others.

Canadian customers include **Dominion Engineering, National Steel Car, Canadian Car & Foundry, Canada Iron, Canadian Westinghouse, Otis Elevator,** and **Consumers Glass.**

The Mimik is a high precision, hydraulically-operated tracer which can be attached to any standard machine tool. It's said to be easy to apply to existing machines and relatively inexpensive and converts a hand-guided machine into an automatic or tracer-operated machine.

Newest Mimik development:

The Templator, a simple method of preparing a template direct from the drawing, thus eliminating a previous drawback to the use of a tracer attachment.

U. S. subsidiary, at Buffalo, N.Y., will be known as **Mimik Tracers Inc.,** and will start as a sales and assembly operation. Magor is a director of National Steel Car.

Big Shields Aid Subway Tunneling

Canada Iron Foundries Ltd., Trois Rivieres, Que., has nearly finished six massive tunneling shields, first to be designed and built in Canada, for Toronto's new subway.

The 70-ton shields are for use on **Toronto Transit Commission's** tunnel operations under University Ave.

Design work and engineering for the shields was carried out by **W. S. Atkins & Associates Ltd.,** Toronto consulting engineering firm, in association with the U. K. firm of **Mott, Hay & Anderson.**

Tangyes of Canada Ltd., manufactured and supplied hydraulic equipment.

Four of the shields are already in operation and the other two will be in use within the next three months.

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Oil Demand Slumps Again

Indicated purchasers' demand for Alberta crude oil in August sunk to the lowest level in over a year.

Requirements will average 313,979 b/d. This compares with actual demand in July of 354,259 b/d.

Estimated demand for September will sink lower again at 308,938 b/d. Requirements will start to rise again in October when purchasers' requests are estimated at around 331,307 b/d.

Ontario refiners reduced their crude requirements sharply for August at 97,875 (134,070 b/d in July). Total export demand was also off moderately at 62,300 b/d (67,300 b/d in July).

ANNOUNCEMENT

ARMCO SALES APPOINTMENTS

D. L. GEORGE TURVEY
B.A.Sc., P.Eng.

JOHN E. WILSON
M.A.Sc., P.Eng.

E. L. Campbell, President of Armco Drainage & Metal Products of Canada Ltd., Guelph, Ontario, announces the appointments of D. L. George Turvey as General Sales Manager and Mr. John E. Wilson as Ontario Sales Manager. The appointments reflect the growing demand for Armco products by the Construction Industry and go into effect immediately.

Plan Broader Divorce Laws

OTTAWA (Staff) — Parliament will have a chance to broaden Canadian divorce grounds next session.

The chance will come from Frank Howard, Skeena, B.C., and Arnold Peters, Timiskaming, Ont., the CCF members who conducted a two-man filibuster against Parliament's divorce power.

This session they concentrated on getting divorce out of Parliament — suggesting the Exchequer Court of Canada would be a better place to deal with divorce applications from Quebec and Newfoundland.

Next session they plan to focus on Canadian divorce grounds, now only adultery.

They will propose legislation adding:

- **Desertion** for at least two years.
- **Cruelty,** both physical and mental.
- **Legal separation** of more than two or three years.

Hutterites Get Okay to Expand

From Our Own Correspondent

EDMONTON — Alberta's 5,000 Hutterites are to be given more space to expand as a result of orders-in-council passed by the provincial government.

Despite these official steps, the proposed establishment of such colonies still is producing strong objections in some areas.

A recent order-in-council authorized the establishment of a Hutterite colony in the Minburn area, 90 mi. east of Edmonton.

This is the first colony approved since the Alberta Communal Property Act was amended this year to place the control of Hutterite colonies under a three-man board.

When the new 4,900-acre colony is ready in a year or so it will be occupied by 50 to 60 Hutterite families. It will be the 55th colony in the province.

The provincial government also has authorized the Hutterite colony at Winnifred, near Medicine Hat, to lease an additional 600 acres for three years.

The colony already held the maximum 15,360 acres.

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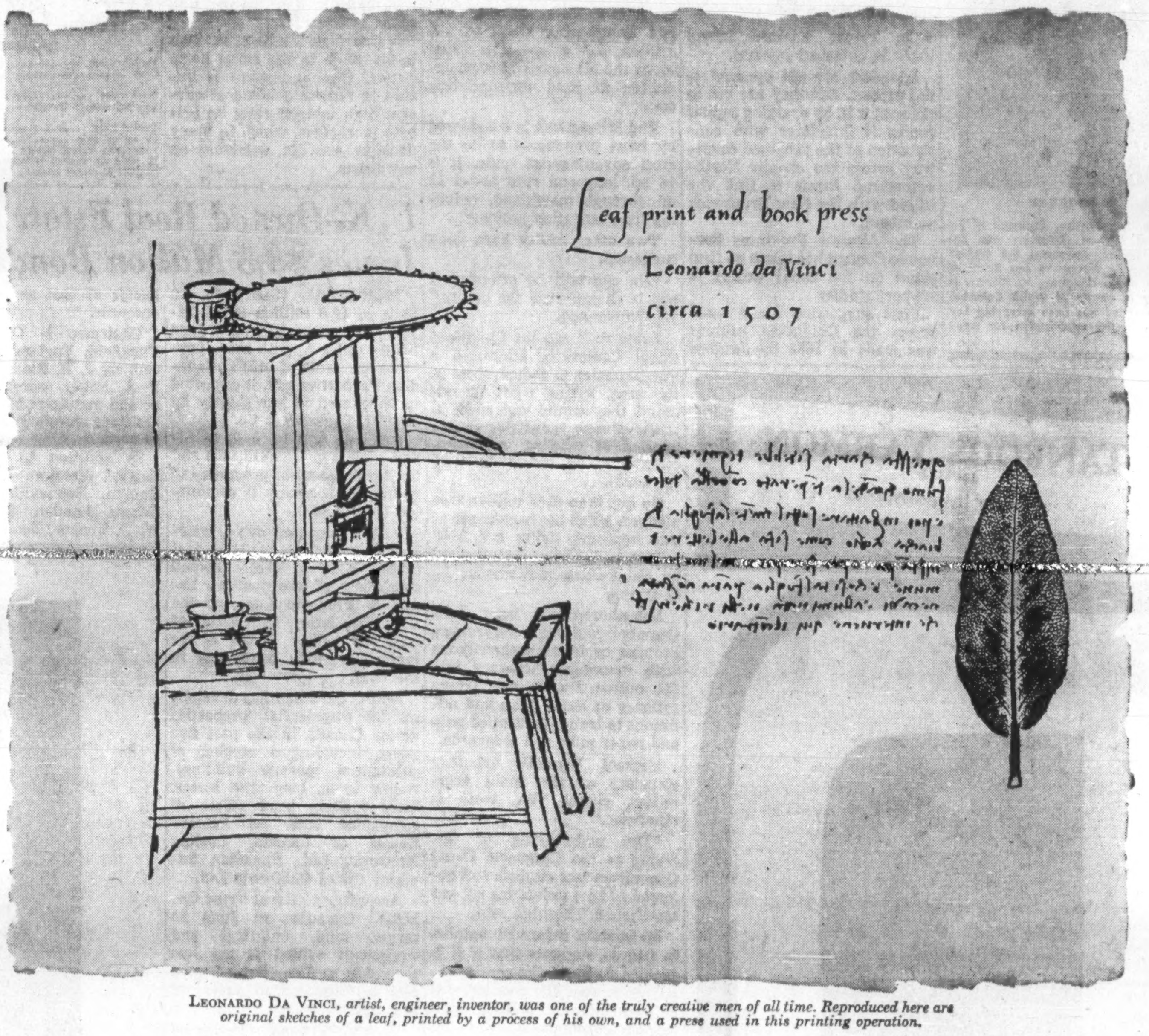

LEONARDO DA VINCI, *artist, engineer, inventor, was one of the truly creative men of all time. Reproduced here are original sketches of a leaf, printed by a process of his own, and a press used in this printing operation.*

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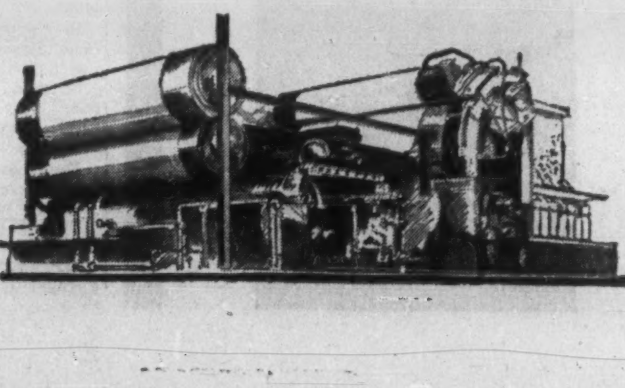

ANNOUNCEMENT

BAKER AGENCY APPOINTMENT

ANDREW S. ROGERS

The appointment of Andrew S. Rogers as an account executive is announced by The Baker Advertising Agency Limited.

As a former brand manager with a major soap manufacturer in Canada, Mr. Rogers was responsible for the marketing of several drug and toiletry products. He has had considerable experience in marketing research and in sales work in Canada and began his advertising career with the George Patterson Pty. Ltd. advertising agency in Sydney, Australia.

ANNOUNCEMENT

E. C. WARNER

The Hon. Ray Lawson, Chairman of the Board of Willson Stationers and Envelopes Limited, announces the election of Mr. E. C. Warner to the Board of Directors of the Company. Mr. Warner is presently in charge of British Columbia operations and has been occupying key positions in the organization for many years.

TANKOOS YARMON
LIMITED
Realty Investments

Study Revives Chignecto Row

Reactions in the Maritimes to a new study of the Chignecto canal proposal range from enthusiasm in New Brunswick to skepticism in Nova Scotia.

The final decision may be based on politics rather than economics.

MONTREAL (Staff) — Decision of the federal and New Brunswick governments to undertake another feasibility study of the Chignecto canal is stirring up a sea of controversy in the Maritime provinces.

• **In New Brunswick** Premier Louis Robichaud said he hopes for a favorable report "and very soon."

There has been a high-powered campaign in New Brunswick to push construction of a canal across the Chignecto isthmus to provide passage between the Bay of Fundy and the Northumberland Strait (**FP**, May 21).

• **In Nova Scotia** there is an air of skepticism.

Jack Campbell, president of the Longshoreman's Association, said the canal would be a threat to the port of Halifax and its 3,000 waterfront workers.

• **In Prince Edward Island** there is detached interest.

Islanders are not opposed to the project. But they are not in favor of it if, by draining capital funds, it interferes with construction of the proposed causeway across the choppy Northumberland Strait to link the island with the New Brunswick mainland.

The Atlantic Provinces Economic Council has taken no firm stand on the canal except to support studies.

First suggestion for a canal across the Chignecto isthmus was made in 1686 by Jacques de Meulles, Intendent of New France, an eloquent advocate whose words fell on barren ground.

Since then 12 major engineering reports have been made on the project and three commissions have delved into it.

The New Brunswick and federal governments will share the cost of the latest survey which will cover both engineering and economic aspects. According to Federal Works Minister David Walker, "neither government obligates itself as to what it will do in the future."

The survey will be federally directed. Two engineers will be appointed by the province to serve on the study group and a New Brunswick economist probably will be named as consultant.

This spring an **Economic Research Corp.** report, done for the Chignecto Canal Committee, a powerful lobbying group, assumed that the canal is technically feasible.

It accepted the conclusions of the commission which probed engineering aspects in the 1930's under chairman Dr. Arthur Surveyor.

It accepted the 1959 cost estimate of **Foundation of Canada Engineering Corp.** of $90 million for a one-lock canal along the Missaguash River, exclusive of land expropriation costs.

The Missaguash is considered by most proponents to be the most advantageous route. It is 16 mi. long and runs about 12 mi. through marshland, reducing the excavation problem.

Two other routes have been suggested.

"No one will be offended if one is chosen over the others," said Robichaud.

Some time ago the Chignecto Canal Committee addressed a questionnaire to industralists in the area, asking what investments they would undertake in terms of new industries or expansion of existing industries, conditional on construction of the canal.

No less than $105 million was pledged. Much has been made of this imposing figure but $100 million of the total was pledged by Saint John industrialist K. C. Irving.

Longshoreman's boss Jack Campbell said this week Irving's promise could be broken down with reasonable accuracy into $50 million for the new Irving refinery at Saint John and additions to Irving-controlled pulp and paper mills and shipyards.

Michael Wardell, honorary secretary of the canal committee, claims "the truth is otherwise."

"The undertaking of Mr. Irving to the Chignecto Canal Committee was explicit and referred to new industries not yet established," Wardell said.

Meanwhile informed opinion in Ottawa suggests that if it is decided to build the controversial waterway, the decision will be based more on political than economic grounds.

Even the latest ERC report admitted the canal cannot be justified in terms of transportation savings based on present traffic.

Scientists Hope To Cut Bridge, Dredging Costs

Savings in harbor dredging and bridge replacement costs are the aims of two research projects at Queen's University, Kingston, Ont.

The researchers have built a model of Cobourg harbor to scale as part of their studies of drifting sand in Lake Ontario harbors.

A movable wave-making machine will produce artificial storms to pound the model harbor from various angles.

By studying the effect of the waves on the sand floor, scientists hope to see what causes navigation channels to become clogged with sand and silt and to discover what engineers can do to decrease or eliminate the problem.

In co-operation with the Ontario Department of Highways, the university researchers have erected a full-size single span pony truss bridge in the structural laboratory at Ellis Hall, Queen's University.

Tests have shown that the bridges are much stronger than generally recognized.

Purpose of the tests is to make it possible for the engineers to retain many of these bridges for a longer time.

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MacNab's Portfolio

A Managed Investment Account

Invested in 1944 .... $10,000
Account latest valuation $36,190

Value Down 2% in Month

During the month ended July 15, the value of MacNab's account fell by $758, or 2% to $36,190.

In the face of current unsettled conditions in the stock market, the manager says he has been reluctant to make any changes in his client's portfolio.

Here is his report:

The market value of MacNab's portfolio on July 15 was $35,880, compared with $36,757 on June 15, a net loss for the month of $877, or 2.4%.

During the same period the Toronto Stock Exchange industrial averages declined from 496.39 to 488.06 or 1.7%. At the beginning of this week the averages had slid to 475.06.

A combination of disturbing foreign news, from both Cuba and the Congo, the forthcoming U. S. elections, and a general but not too noticeable decline in business activity in the second quarter, has had a depressing effect on the stock market.

A reduction in the margin requirements to 70% announced by the board of governors of the New York Stock Exchange on July 27 may help to stimulate stock market activity in the U. S.

An increase in funds available for the residential building industry will be put into effect at the current session of the Canadian Parliament. This is favorable to the small home owner, who at present is unable to finance a home at current high interest rates on private mortgages, which in many districts are not available on any terms.

It is obvious that no stock market can thrive on tight money, and, until money becomes easier, the speculator is sitting on the sidelines, or confining himself to special situations.

Dividend income received during the month amounted to $119.50. This brough MacNab's cash balance at July 15 to $309.92.

Here is his portfolio:

	Common Stocks	Cost —Per Share— $	Market $
100	Algoma Central	20.00	16.00b
40	Algoma Steel	37.00	33.00
70	B.A. Oil	37.38	26.00
50	B.C. Telephone	35.46	45.50
50	Bank of Montreal	48.15	52⅝
100	Distillers Corp. Seagrams	28.47	29.00
70	International Utilities	23.26	34.00
100	Falconbridge Nickel	31.78	32.00
60	McIntyre Porcupine Mines	27.91	24.00
30	General Motors	44.80	43.00
30	Noranda Mines	38.46	39.00
200	MacMillan, Blo. & P. R.	16.04	15.00
10	Steel Co. of Canada	68.00	69.25
90	Hiram Walker G. & W.	17.50	36⅛
	Preferred Stocks		
10	B.C. Tel. 6¼% pfd.	100.00	105.75
25	Int. Util. $2 conv. pfd.	40.00	41.50
	Bonds		
$2,000	B.C. Elec. 5½% 1989	98.00	95.00
2,000	Loblaw Groc. 6% 1977	100.00	100.00
1,000	Home Oil Conv. Debs. 6% 1975	100.00	92.75

SUMMARY

Market value	$35,880.00
Cash	309.92
Total value	$36,189.92
Original amount invested	10,000.00
Capital gain	$26,189.92
% capital gain	261.89
Prospective annual income	1,745.00
% yield on original investment	17.45
% yield at current market	4.82

U.K.-Owned Real Estate Firm Issues $3.5 Million Bonds

MONTREAL (Staff) — An issue of $3.5 million 6¾% 22-year first mortgage sinking fund bonds, series A, with share purchase warrants of **MEPC Canadian Properties Ltd.** is expected to be offered at par shortly by **Nesbitt, Thomson & Co.**

Proceeds will be used to repay bank loans ($2,312,500) and for development of properties to which the company is committed ($1,015,000).

MEPC Canadian owns, operates, develops and manages real estate. It is a wholly owned subsidiary of **Metropolitan Estate & Property Corp.** of the U. K. The latter, with assets of over $58 million, is one of the largest property companies in the U. K.

MEPC Canadian has developed 29 commercial properties across Canada in the past five years, including a number of substantial modern buildings, rented or on long-term leases. They include head offices of companies such as **Pitney-Bowes of Canada, Carling Breweries Ltd., Canadian Superior Oil of California Ltd.**

According to **Royal Trust Co.**, MEPC Canadian at June 30 owned land, buildings and equipment valued at not less than $10 million. Replacement cost is estimated in excess of that figure.

Each $1,000 bond to be offered carries warrants entitling holders to purchase 100 common shares at $2.50 each to Aug. 1, 1965, the price increasing to $3.50 per share thereafter to Aug. 1, 1970.

Investment of the parent company in MEPC Canadian is at the rate of $2.50 per share, the price at which warrants are exercisable for the first period.

The bonds mature Aug. 1, 1982. They are non-callable refunding prior to Aug. 1, 1975. A sinking fund to retire 70% of the issue by maturity will operate.

On giving effect to the financing, capitalization of MEPC Canadian at June 30 comprised $3.5 million 6¾% Series A bonds; $2,877,829 in mortgages payable; and 1,470,000 npv common shares.

In the nine months ended June 30, 1959, consolidated net profit of company and its subsidiary was $80,396. This compares with $54,002 in the full year ended Sept. 30, 1959, and $27,278 in the previous fiscal year.

No income tax was payable for the period ended June 30, 1960, as company is claiming, for tax purposes, depreciation in excess of that recorded in the accounts.

Chairman is C. M. Leigh, Cuckfield, England. Other officers are J. H. Riddel, president; P. A. Anker, secretary-treasurer and manager; M. H. Morgan, assistant secretary, all of Toronto area.

In addition to Riddel and Leigh, directors are P. A. Cumyn, Senneville, Que.; C. Sweett, London, England, and W. G. Tucker, Toronto.

RENTAL AGENT

Loftus, Lesser & Co., Toronto, has been appointed leasing agents for the Thorncliffe market place under construction by **Thorncliffe Park Ltd.**, Toronto. Loftus, Lesser is a specialist in shopping centre rentals.

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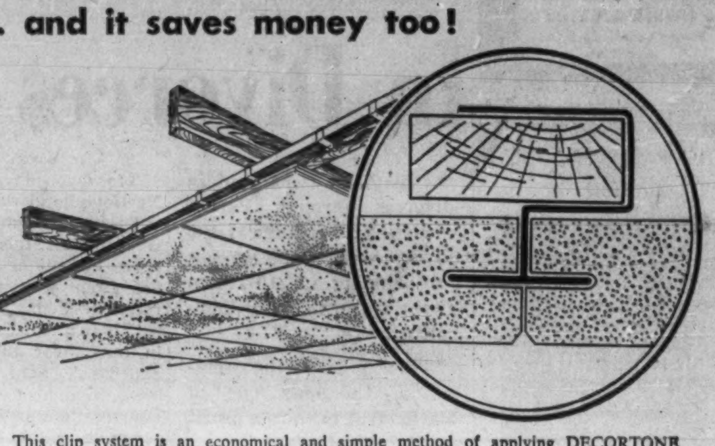

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Baie Comeau World Port, Elevator Opens

Special Correspondence

BAIE COMEAU, Que. — Canada's largest grain elevator, 12 million bu. storage and export facility, was formally opened here last week on the north shore of the lower St. Lawrence River.

Cargill Grain Co., builder and operator of the elevator, says the multi-million dollar grain centre will become "one of the largest contributors to the agricultural and maritime economies of Canada." (**FP**, Sept. 27, 1958, June 18, 1960.)

The elevator, Cargill Grain says, can:

• **Provide year-round all-water shipments** by stockpiling grain during summer and exporting during winter months when the St. Lawrence Seaway is closed by ice.

• **Permit great efficiency in lake shipping** through an economical co-ordination of grain cargoes to Baie Comeau and return loads of paper produced here by **Quebec North Shore Paper Co.** and iron ore from such nearby points as Sept Iles and Port Cartier to interior North American markets.

Possibly aluminum ingots produced here by **Canadian British Aluminium Co.** could be shipped with grain.

John H. MacMillan, Jr., Minneapolis, board chairman of **Cargill, Inc.**, parent company of the Canadian firm, said the Baie Comeau operation will employ more than 100 permanently, as many as 200 at peak activity, and will add nearly $3 million to the local economy.

"Observers have estimated," he said, "that this house will export 60 million bu. of grain annually."

"That could mean as many as 250 ships coming and going each year."

The elevator started receiving grain by lake boat a month ago and made its first shipment three weeks ago.

Record Power For Manitoba

From Our Own Correspondent

WINNIPEG — For additions to Manitoba power generating capacity, 1960 will be a record year.

By Dec. 31 there will have been added facilities for an additional 356,000 hp, more than the potential of any hydro plant in the present power system.

Half the new power will come from the $45 million Kelsey development on the Nelson River in northern Manitoba.

None of the Kelsey power will be available for the province's southern system.

The new 1960 sources for the south will be two units of the steam station at Selkirk.

The first will be completed by late August, the second two or three months after. Their combined capacity is 176,000 hp.

New Residential Area for Ajax

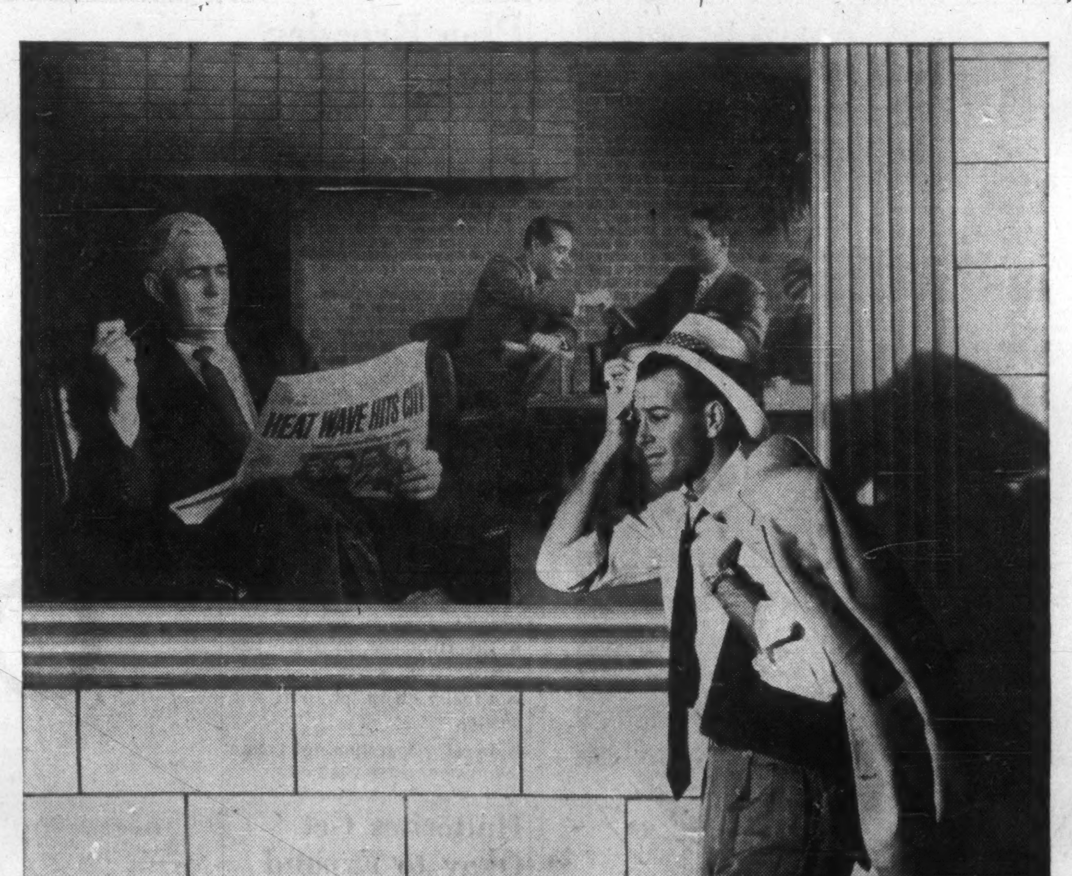
Duffins Creek Estates Ltd. last week began construction of roads and services for a new 138-acre residential development, to be known as "Southwood Park", at Ajax, Ont.

The residential area, with 301 houses, represents the first phase of a development program through which the company will transform 2,000 acres of farm land at Ajax into planned industrial parks, commercial areas and attractive residential neighborhoods, says William Baldwin, manager of the developing firm.

Also planned is a lakeshore park and golf course.

The 1960 plans call for construction by private builders of 125 homes.

Perini Ltd. is the general contractor for roads, water mains, sewers and sidewalks.



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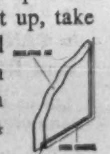

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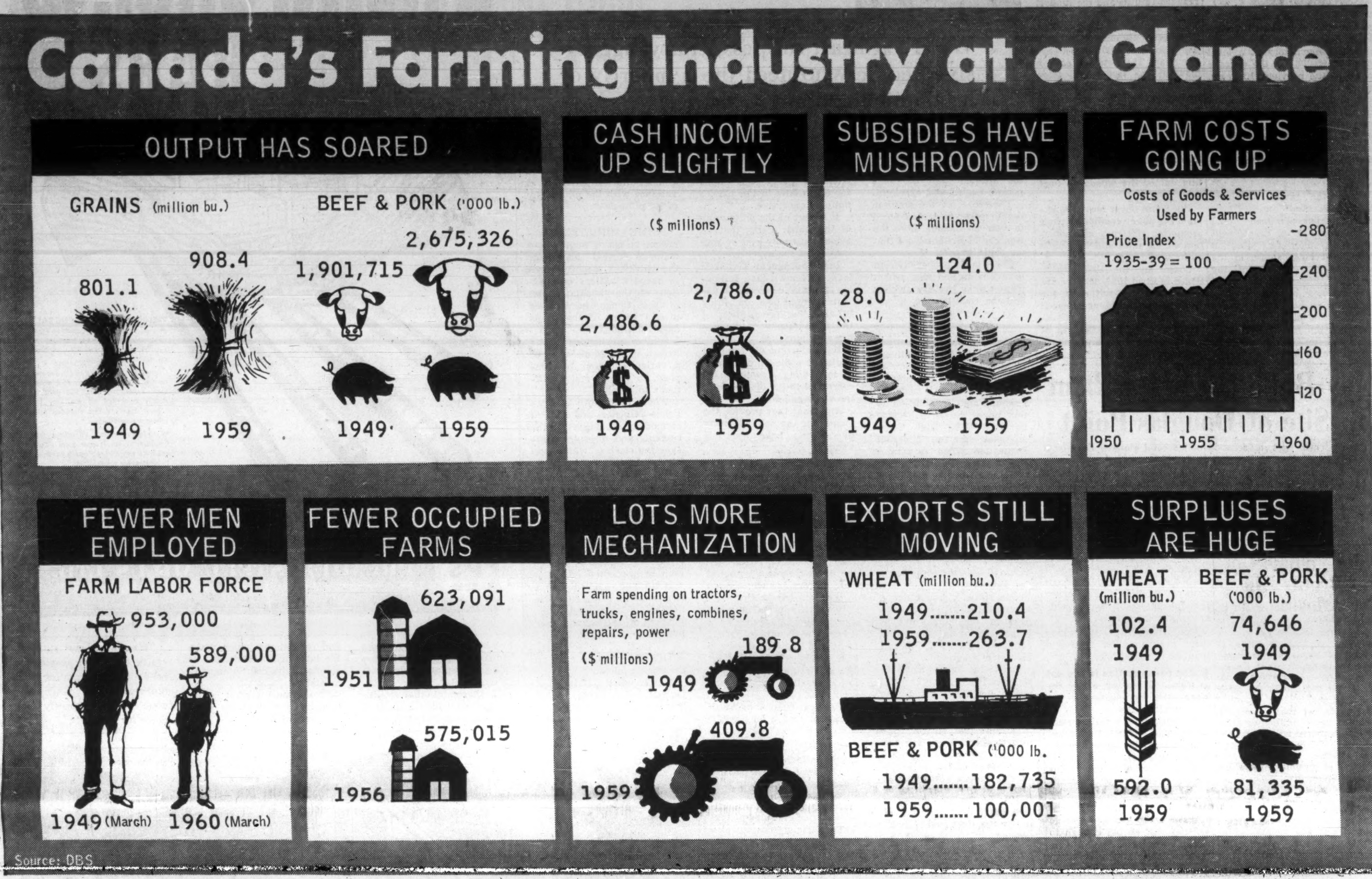

Why Our Farmers Face Big Troubles

By DAVID L. MacFARLANE

Financial returns to farmers, which have seldom exceeded two thirds those received by workers in other industries, have drifted downward over the past 10 years. They are now about a third as much per worker.

This presents a situation that is intolerable to farmers, and clearly not consistent generally with Canadian standards. It has also reached a point where the hardships inflicted on farm families should be a matter of national concern.

What is the situation? Why does it exist? What to do?

For 10 years and particularly since 1951 (see table) farmers have been confronted by an almost continuous and substantial increase in the cost of goods and services used in production and in prices they pay as consumers. Farm prices have in no measure responded to the buoyant postwar conditions. Farm incomes have generally declined — and sharply when measured in real terms.

The cost-price squeeze about which we hear so much is measured roughly in terms of the fact that farm prices have declined from 5% to 10% since 1949 while farm costs have increased by one third.

The impact of rising farm costs has become more severe, as purchased production components have become relatively more important in the farm industry. It is estimated that these have increased from less than 30% to more than 50% of total costs over the period 1940-1960.

This, as well as the deteriorating cost-price relationship, is reflected in the sharp decline in farm incomes over the past 10 years. In terms of current dollars the decline has been 15% and in real terms about one third.

Technology, the slow growth of demand for farm products, and U. S dumping of food have created the Canadian farm problem.

Taken together, technological developments and farmers' adjustments to them have almost doubled the output per worker in the past 20 years — an achievement unequaled in any other major Canadian industry.

From 1945 through 1955 the Gordon Commission shows gains in productivity per worker in agriculture were four times as great as in manufacturing industries. This suggests that far from being an intractable industry subject to little change, agriculture has the capacity on the production side for rapid change. This capacity remains with us and will be most important over the next generation.

In contrast to these swift developments in farm production, the market for farm products, or the demand for food, advances only slightly faster than the number of mouths to be fed.

Put in another way, farmers get little benefit from the rapid expansion of the incomes of city workers. The increase in these incomes goes very largely into cars, television, fishing trips — in fact into almost everything but food.

While the 50% increase in Canadian population over the past 20 years has been rapid, farm production has kept pace with demand, and for some products run ahead of it. The result: Actual or threatened surpluses.

More specifically, how have farmers responded to this technological and demand situation? The most significant change was a 10-year (1949-59) decline in the labor force of almost one third. Yet output continued to increase by some 3% per year. This has been due to substituting capital for labor, to re-organizing farms, and to improved crop and livestock practices.

With net income to the industry averaging about $1.4 billion over the past 10 years ($1.2 billion over the past three years), farmers have made new investments of close to $500 million a year. This is extremely large, coming as it does by restraint on farm family consumption. This new capital has replaced the workers forced off the farm.

Another adjustment is in the declining numbers of farms. From 1951 to 1956 the reduction was 10%. This rate of decline may continue for another decade or two.

By making these rather drastic changes, farmers have been able to maintain real income per worker at about the level of 1947-49. But looking over their fences, they observe that real incomes of non-farm workers have increased by more than one third.

Production or technical changes pressing on a slowly growing demand is only part of the story. Farm returns are low also because the farmer cannot achieve restraints on output. He can't control or restrict output in the way the automobile industry, the toothpaste industry, or even the evaporated milk industry can.

Attempts to use such controls in the U. S. have led to a total mess. Put it in another way: The farmers have licked every attempt to control output. Very able and ingenious people!

While the position of agriculture is depressed nationally, the situation is particularly acute in the Prairie Provinces. Wheat exports have been down for the past two years and the surplus runs from 400 million to 500 million bu.

Net income of farmers in Quebec and Ontario rose by 3% from 1947-49 period to 1957-59. But in the Prairies it fell by nearly 25%. In view of this gravely deteriorating situation, it is a matter of urgency that Prairie farmers get some satisfaction from their demands for supplementary payments which have been before the federal government for a year and a half.

The most difficult aspect of this problem is deciding on the basis for making the payment. Perhaps the best that could be done would be a straight cents per bushel payment on marketings through the Wheat Board. But more study of various payment proposals is needed.

The Prairie grain farmer has made very substantial adjustments since the end of the war. Production is now on a generally efficient basis. But confronted with agricultural protectionism in Europe and the vast U. S. wheat dumping program financed out of the federal treasury, wheat farmers have been unable to realize financial benefits from their increased efficiency.

The extent of adjustment in the Prairies is indicated by the fact that while wheat brought over 70% of cash income in 1926-29, the proportion is now less than 40%. Montana-Dakota wheat farmers with a guaranteed parity support running at about $2 bu. for many years have made no adjustment toward other income sources. (Prairie farmers have realized about $1.25 bu. for the past several years.)

The prospect is for no improvement in the wheat situation. U. S. dumping, particularly with an expected Democratic President and Congress, will likely get worse rather than better.

And the European Common Market may lead to considerable expansion of acreage in France. This wheat will have a preferred position in the Common Market countries which have in the past been large importers from Canada. Further the quality of French wheat may improve decidedly, thus becoming more competitive with Canadian wheat.

Until 1957-58, Canada had a very modest price support program. Apart from purely emergency situations, e.g. foot and mouth disease, all government costs in supporting agriculture were only 3.5% of gross farm income and about 2% of net farm income. (This contrasted with U. S. government costs for its parity support program running from one quarter to more than one third of net farm income.)

Over these years, Canadian supports were at levels which provided very little incentive for extra production. Under such conditions almost all farm incomes were the result of the operation of the market.

All this changed in 1957 (**FP**, June 30)

(Continued on page 18)

*David L. MacFarlane is professor of agricultural economics, Macdonald College, Que. He has written before for **FP** on Canada's farm problems.*

We Can Do Something

What to do?

There is no easy way out. However, we should look at several possible lines of farm policy. Since farm issues are supercharged politically, any party that can advance a policy which would really improve the position of agriculture has it made.

Before examining policy, let us clear up one point or at least state what seems an obvious conclusion.

The free market will not yield "fair returns" or "fair shares" to farmers. The reasons: (1) a far from exhausted burst of technology, and (2) the slow growth of demand.

The exodus of people from the land and the retirement of land itself would have to be on such a vast scale that we could scarcely conceive its non-economic consequences. Anyway, even a free market would not push enough workers off farms or take enough land out of production.

- **One approach to farm policy is to do nothing.**

This would speed up adjustments but would not promote enough of them to yield financial returns comparable to those of workers in other industries. It would deprive farmers of the measure of price stability they have had since the end of the war. Anyway, it's out politically.

- **We could attempt to patch up present policy.** This would mean returning to the policy of 1946-1956. Supports but not at incentive levels.

- **Still another possibility is to find a basis for direct payments to farmers.** This suggests a parity income approach rather than parity price. The hope is that these payments would not provide the incentive for much additional production. In any event the market would be left free to cope with whatever supplies would be forthcoming.

- **Yet another possibility is in attempting to relieve the position of farmers by indirect means.**

For example: (1) reducing the heavy burden of educational and other taxes on farm property, transferring them to tax bases with more ability to pay; (2) expansion of health and welfare services so as to relieve the overpressed farm family budget; (3) moving national employment services into rural areas to help the transfer of farm people to other occupations; and (4) having a good look at the incentives necessary to encourage more manufacturing industries to locate in towns where they would draw their labor force largely from farms.

- **Finally, recognizing that much of the distress in agriculture is identified with poor land areas, we might very well consider a program for buying up and returning to the public domain as much land as possible in these areas.**

This would be on a purely voluntary basis. The land could be put in trees or recreational areas or in no use at all. Over a generation it would have a wholesome effect on the farm industry.

Farm Cost-Squeeze

Canadian Farm Prices, Farm Costs and Income 1949-1959

Year	Farm Prices (1949=100)	Farm Costs (1949=100)	Consumer Price Index (1949=100)	Net Farm Income (In Current Dollars) $ Millions	Net Farm Income (In Constant 1949 Dollars) $ Millions
1949	100	100	100	1,416	1,416
1950	102	103	103	1,220	1,185
1951	116	113	114	1,937	1,704
1952	107	119	116	1,919	1,648
1953	98	118	116	1,644	1,424
1954	93	116	116	1,025	882
1955	91	117	116	1,290	1,108
1956	90	121	118	1,458	1,234
1957	92	125	122	1,058	867
1958	95	127	125	1,353	1,082
1959	94	132	126	1,191	942

Why Our Farmers Face Big Troubles

(CONTINUED FROM P. 17)

when the Conservatives gained power. The new Price Stabilization Act made support on nine products mandatory at a level of at least 80% of the average price of the previous 10 years. Some of these supports turned out to be unrealistically high. Some of the products under mandatory supports were supported at levels higher than required (hogs at 84%). Some nonmandatory products were supported at clearly incentive levels.

Thus the major surpluses other than small grains (hogs, butter, dried skimmed milk) were creations of government policy. To meet this situation which put large stocks in the hands of the government, the basis of support for hogs and eggs has now been changed to deficiency payments.

Under this plan farmers sell for what the free market will bring and the government pays the difference between average realized returns and the support level.

But there is a trick in this. Supports apply only to 100 hogs per year or to 4,000 dozen eggs per year. This was at once a blow at the larger and more efficient operators and an open invitation for the small and generally inefficient operators to expand output to the levels indicated.

Fortunately, they do not seem to have accepted the invitation. Result: The government is getting out of the woods on hogs and eggs.

But it has never moved to explain the policy conflict between promoting efficiency of production on all sides and barring it on hogs and eggs.

Losses by the Stabilization Board in fiscal 1959-60 were $58 million compared with some $25 million over the 11-year period from 1946 to 1957. The $25 million figure excludes the cost of handling the foot and mouth outbreak in 1952.

May Build Second A-Plant On Site of Douglas Point

Canada may get a second atomic power plant at Douglas Point on Lake Huron.

The CANDU, the 200,000 kw Douglas Point Plant, is scheduled for completion late in 1964 or early in 1965.

But provision is being made for a second plant at the site, if it should be needed.

No decision on the second plant will be made until after the 20,000 kw prototype NPD-2 (Nuclear Power Demonstration) now under construction at Rolphton, Ont., goes into operation.

After it has been some time in operation, AECL scientists will be better able to evaluate and improve on their natural uranium-fueled, heavy water-moderated reactor system.

Meanwhile AECL is making these provisions for a second plant at Douglas Point:

- **The power station is laid out** so a second reactor would require little modification in the present structure.

By tearing out a wall, an addition could be made to the turbine wing to accommodate further turbines.

The service building, containing such facilities as a decontamination centre and office facilities, would be shared.

- **Waste treatment and storage facilities** will be big enough to handle two plants.

Sales Volume Up, But Profits Dip For Atlas Steels

Sales volume of **Atlas Steels Ltd.** for the second quarter of 1960 was $12,570,000, compared with $10,673,000 for the same quarter of last year.

Net profit was $737,000 compared with $800,000 in the same period last year.

Net profit for the six months amounted to $1.7 million or $1.56 a share, compared with $1,760,000 or $1.62 a share for the same period of 1959.

Volume of incoming orders for steels for automotive, pipe manufacturing and agricultural industries had fallen off during the second quarter.

Company's specialty steel backlog, however, has maintained a fairly level volume.

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96-4

Loans *for capital expansion*

Many industrial enterprises with good prospects but in need of finances will be started or expanded this year in a way that provides a sound basis for development through the financial assistance of the Industrial Development Bank.

Information about I.D.B. financing in the fields of:

• Manufacturing • Repairing • Processing • Transportation • Construction • Air Services • Packaging • Engineering etc.

can be obtained from your banker, auditor or lawyer or from the nearest office of the Industrial Development Bank listed below:

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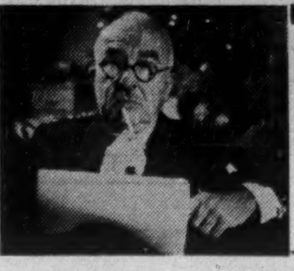
SAINT JOHN	35 CHARLOTTE ST.
HALIFAX	65 SPRING GARDEN ROAD



SIR BEVERLEY BAXTER

writes from London

"We are at heart ruthless, crafty, aggressive people who need the hypocrisy of legal quibbles..."

WHEN Napoleon was heading the retreat from Moscow he sent an outrider ahead to Paris with the message that the Emperor's health was excellent.

Therefore let me emulate the Emperor and send word to you in Canada that the weather in Britain is all that we could expect.

There is the proper division between sun and rain, which pleases alike the city dweller and the countryman.

* * *

IN KEEPING with this pleasurable mood, I must put on record that Anthony Head, who was Secretary of State for War at the time of Suez, has been made a viscount and, in addition to that honor, he is to become the first U.K. High Commissioner in the Nigerian Federation when it attains independence this autumn.

No one outside the Inner Circle ever knew why Head was fired because of Suez.

He did his part well, but Mr. Eisenhower, who was on the eve of a presidential election, insisted upon a withdrawal.

It will be remembered that the President gave the then Prime Minister Eden such a tongue thrashing on the long distance telephone that it helped to bring about the collapse of Eden's health and his early resignation.

With his customary elegance Prime Minister Macmillan sent Head a letter on his new appointment with these pleasing words:

"I hope that on your return to the U.K. at the end of your period of appointment you will not feel that your political life is at an end. And that you will then be able to fulfill a role in politics that will reflect your varied and successful political career."

There will have to be a by-election in Head's constituency, but the government need have no worry.

Head's majority in the last general election was 13,244 and is therefore regarded as a safe seat.

IN THE meantime Hugh Gaitskell who, following the death of Aneurin Bevan, is the undisputed leader of the Socialist party has been forced to bow to the party's national executive.

It is part of the philosophy of the Labor Party that its leader must only lead by permission of the executive.

Being but human, Gaitskell let it be known that, following a series of electoral defeats it might be a good thing to alter the constitution of the Labor Party on its nationalization aims.

But unfortunately for poor Gaitskell a die-hard Tory is a left wing revolutionary compared to the die-hards of the trade unions.

And since they provide the money for the political party the unions have the last word.

Therefore the Labor Party will continue to advocate the nationalization of industry, while knowing that neither the country nor the workers want it.

* * *

BEFORE we leave the realm of politics, let us note that there is to be a memorial service for Aneurin Bevan in Westminster Abbey.

Usually in public life when a prominent figure dies he is honored by tributes in Parliament and the press, but to hold a memorial service for him in Westminster Abbey is to place him among the Immortals.

The boy from the Welsh mines traveled a long way.

* * *

PERHAPS it is the hot weather which is causing the usually level-headed British to say and do some very silly things.

Thus when it was announced in Parliament that Senor Castella, the Spanish Foreign Secretary, would make an official visit to London, a Labor MP protested that the overwhelming mass of the people were against it.

This is at once both asinine and untrue.

Certainly Franco maintains a dictatorship and does not allow the labor force to form a political party, but he was a great help to us in the Hitler war.

There was a regular escape route for British airmen in the Hitler war and Franco always turned his eye the other way.

Franco was really neutral in our favor.

* * *

MOST OF the national newspapers in the U.K. are doing well in circulation and advertising revenue, but there is one newspaper causing concern to its shareholders.

Some years ago, when the Labor movement was growing in force and prestige, the firm of **Odhams,** as publishers of books and magazines, decided that the Labor movement should have a national daily newspaper which would champion the Socialist cause.

So in due course there appeared the Daily Herald, financed and produced by a capitalist publishing firm but dedicated editorially to the destruction of capitalism and replacing it with the reign of Socialism.

The publishers knew that the advertising revenue would not compare with that by the other national dailies, but hoped that the huge circulation would bring a profit merely on the sale.

I do not for a moment suggest that the directors of Odhams regarded such a policy as a purely money-making device, which is just as well because the Daily Herald never approached the circulation of the big capitalist dailies.

Recently there were rumors that the Herald would have to cease publication, but there was such an outcry from organized Labor that the death sentence was not carried out.

But the publicity that ensued has weakened the advertising revenue still more, and the circulation is still declining.

All of which proves that a newspaper cannot succeed if its editorial policy is at variance with the philosophy of its publishers.

* * *

PRIME MINISTER Macmillan is not a man whose manners reveal his inner thoughts, but recently when he faced a battery of questions on the violent troubles in the Congo he seemed utterly weary of the whole deadly business.

Seldom in history has a British Prime Minister faced a varied situation so complete, so violent and so difficult to resolve.

When the South African Prime Minister was shot, it seemed to let loose all the currents and torrents wherever the clash of whites and blacks exists.

The news from the Congo is black in more ways than one, and the cause of African independence has received a blow which can only result in an expanding chaos.

Ostensibly a fight for rights, the chaos has created nothing but an anarchy.

It is being said that in the Congo the Belgians kept the natives bottled and then knocked off the cap and were blinded by the foam.

* * *

THERE IS trouble even on the cricket pitch.

This is what a Daily Mail journalist has to say about Britain's national game:

"Is there any other sport in which the luck of the toss can so unfairly handicap one side and preposterously assist its opponents?

"Is there any other civilized pastime which is hedged and honeycombed with rules and regulations which make the laws of England seem as simple as the Ten Commandments?

"No wonder cricket is the favorite symbol of the English way of life.

"We are at heart ruthless, crafty, aggressive people who need the hyprocrisy of legal quibbles and diplomatic double-talk to justify our drive for power."

P.E.I. Tobacco Gets Boost By Crop Sale

From Our Own Correspondent

CHARLOTTETOWN — Tobacco growing on Prince Edward Island has received a boost from **Imperial Tobacco Co.**

Company has arranged with the provincial government to purchase this year's experimental crop and to make technical assistance available.

This year's crop, 18 acres, is being grown entirely under provincial auspices. Roy Gibson of Virginia is in charge of the project at Greenfield.

Plants were shipped from Aylmer, Ont., and are maturing satisfactorily.

Last year the yield was 13,000 lb. (**FP**, Oct. 3, 1959) and higher output is predicted for 1960. The 1959 crop is still undergoing Imperial tests for smoking and other qualities.

Company says normally tobacco is aged under controlled conditions for two or three years before it is used in manufacturing.

Vice-president R. A. Parham has outlined for the government methods by which tobacco growing on P. E. I. could be developed economically as an additional farm crop.

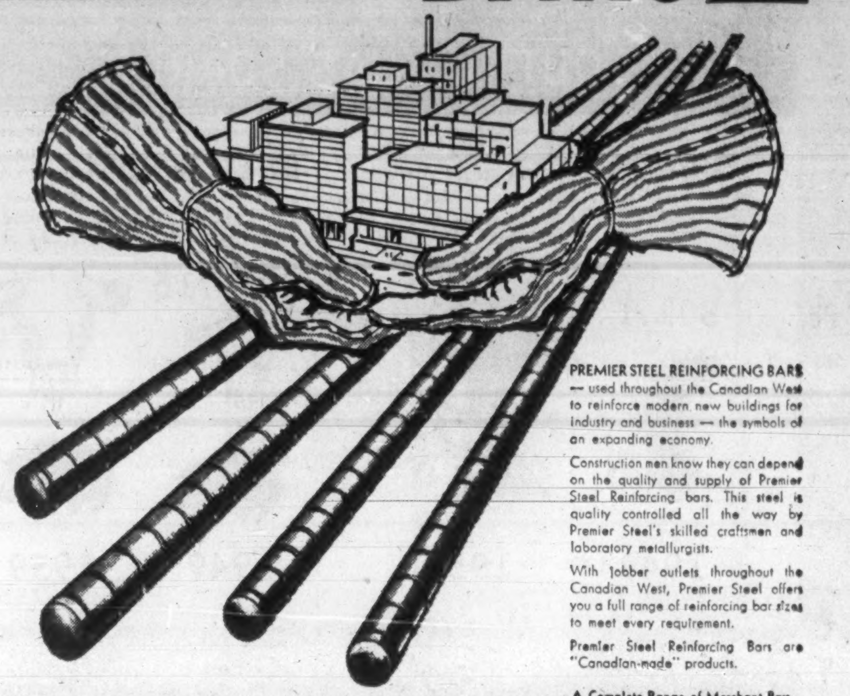
Company will provide an experienced man from its Ontario staff to assist in the selection of suitable areas and supervise the growing and curing operations.

This follows a pattern of company assistance carried out in Ontario from 1901 to 1930.

Similar experiments are being made in New Brunswick and Nova Scotia.

Premier Walter R. Shaw, who is also Minister of Agriculture, says he is highly encouraged by developments. The provincial government will continue to support the experiment as long as there is hope of developing a cash crop.

REINFORCING BARS



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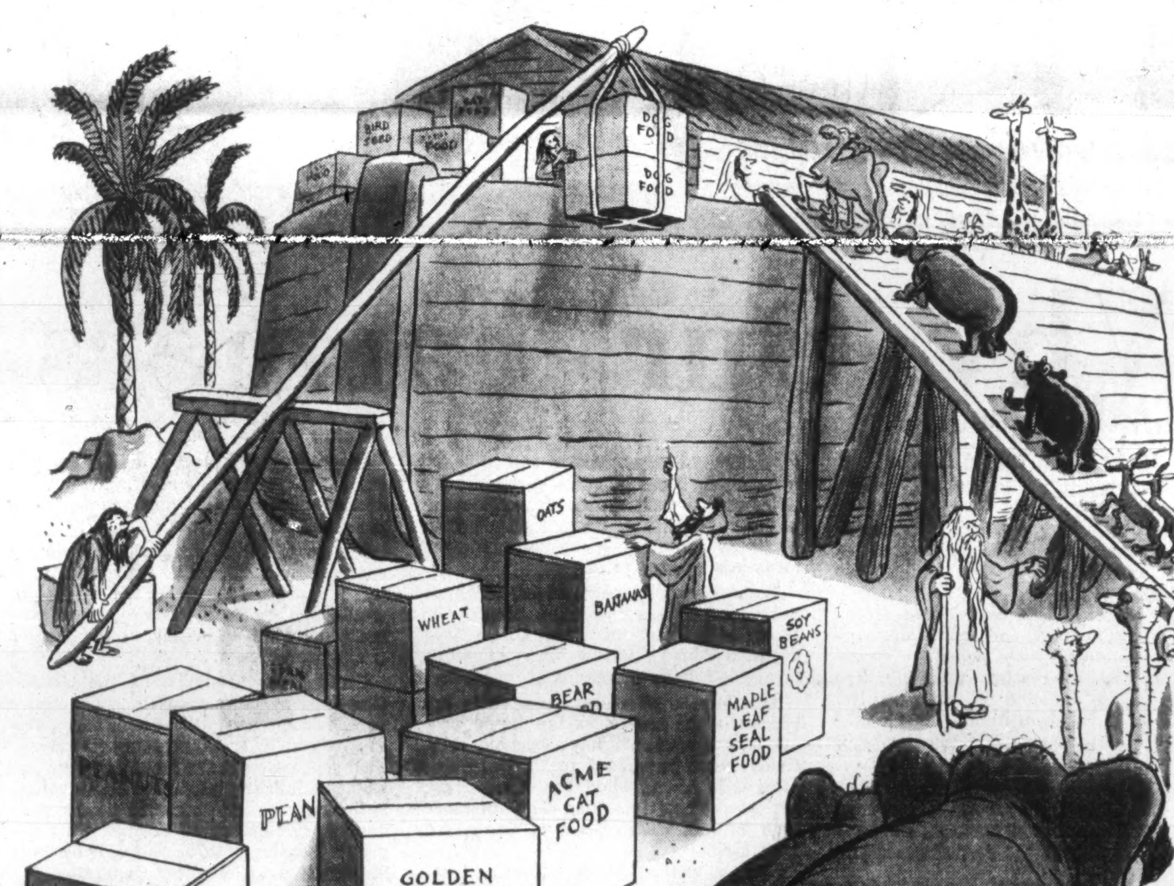

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YOUR TAXES

An exclusive FP column of comment on the trends in personal and business taxation

Merrie England, Ancient Rome Put 30% Limit on Tax Rate

By JOHN G. McDONALD, LL.M.
McCarthy & McCarthy, Toronto

GLASTONBURY, Eng. — It is said here, in the beautiful country of Avalon, that St. Patrick was a raw recruit when he came to study at Glastonbury Abbey.

The first teachings of Christianity were heard in Britain on the northwestern slope of Glastonbury Tor in 60 AD, and the ancient Wattle Church of that vintage grew up untouched by the Roman occupation.

This part of Somerset may have been too cold for the Romans, who preferred the hot springs of Bath. No one knows the real history of the country, because the Britons were slaughtered and the Romans too insecure to leave a record other than their military road to Bristol.

The history of the district began to be recorded in Saxon days, and by that time King Arthur and his Queen Guinevere were already legendary.

Years later, Henry II of England sought out and found the Arthur remains, and buried them in the Abbey in 1191. The tomb was subsequently moved, in 1278, by Edward I.

King Arthur's track was lost after 1539, of course, because Henry VIII hanged Abbot Richard Whiting in that year for his critical comments upon royal divorces (official version) and for his refusal to give up the income tax revenues of Somerset (unofficial version).

The Unofficial Version Of Henry VIII's Row

The revenue side of things was particularly interesting to us, and serves to explain the spectacle of Notre Dame in the midst of West Country apple orchards.

As Canadian travelers well know, Wilts and Dorset, with the Cathedral towns of Salisbury, Wells, Glastonbury, Malmesbury and a dozen other places, were centres of ancient British culture long before the Tudor Kings made London their capital.

To this day Devon men talk about "going up to England".

The reason for this history is that the Church controlled the income tax revenues of the West Country until 1539.

In that year Henry VIII really became the father of the income tax by taking the roof off Glastonbury Abbey, and the head of Bishop Whiting.

The Church tithe was only 10%, as it is today, but under political government in an ecclesiastical community, which was substantial in these shires from 1300-1539 AD, the over-all rate of income tax averaged 30% — which was the traditional top rate in ancient Rome.

The West Country churchmen paid no taxes (worth mentioning) to London, but sent their surplus to Rome. The control of the Revenue was thus their doom, and the English Caesar took his turn through dissolution of the abbeys and redistribution of their vast properties.

The doughty English of the West supported this plunder of the Abbey churches because their over-all income tax was reduced below the amount formerly collected by the Church landlord.

Economists Debate Tax Toleration Level

Economists have debated for years the question of the "maximum" proportion of national product that can be taken in taxes for public purposes. There probably is no theoretical maximum, because the limit is really what the electorate are prepared to support.

The present heavy taxes in Britain are generally considered to be on the excessive side, particularly at the surtax level, but with a buoyant economy in which taxes tend to be passed on — with an inflationary effect upon price levels — the 1960 U.K. Budget, like our own, was a "stand-pat" budget.

While it is always difficult to draw accurate parallels from historical experience, it is interesting to note that today's taxes throughout the English-speaking world have reached or exceeded the "toleration level" of past centuries.

THE INVESTMENT FUNDS

Canadian Investment Fund Assets Hold in Quarter

Net asset value per share of **Canadian Investment Fund Ltd.,** at June 30, 1960, was $8.46, 0.2% lower than the $8.48 per share three months earlier.

Total net assets increased 0.6% in the three months to $121.2 million from $120.5 million.

There was a net sale of 125,227 shares in the quarter increasing outstanding capitalization to 14,327,880 shares.

President Hugh Bullock points out that portfolio changes do not necessarily indicate current opinion on individual securities. Transactions, he says, are related to the administration of the portfolio as a whole.

At the end of June, 1960, portfolio consisted of 75% common stock (74.8% at March 31, 1960); 3.1% (3.0%) preferred stock, 19.5% (19%) bonds; cash, etc. 2.4% (3.2%).

During the quarter, the fund maintained its principal amount of Canada bonds and liquidated holdings of **Lake of the Woods Milling Co.** 7% preferred stock.

Holdings of 30 common stocks were increased and two decreased.

Here are the changes for the second quarter in detail:

	Amt. held June 30/60	Change since Mar. 31/60
Bonds:	$	$
Canada, 5½%/62	4,000,000	+1,000,000
Do 5½%/63	1,000,000	+1,000,000
Do 4½%/83	3,000,000	—2,000,000
Preferred:	— Shares —	
Lake of Wds. Mill. 7%	nil	—485
Common:		
General Motors Corp.	66,000	+3,000
Bk. of Montreal	38,000	+900
Imperial Bk.	9,100	+2,800
Indust. Accept.	83,000	+5,475
Royal Bank	28,000	+800
Consol M. & S.	75,500	+3,500
Hudson Bay M. & S.	45,000	+500
Int'l Nickel	80,000	—6,000
Noranda Mines	54,400	+2,400
Canada Cement	22,000	+1,000
Dom. Bridge	47,000	+1,000
Cdn. Industries	15,000	+4,000
Du Pont of Can.	19,200	+25
H. Walker-Good.	151,950	+950
Geo. Weston A	16,000	+1,000
Do B	23,400	+400
Atlas Steels	15,000	+1,500
Dom. Found. & Steel	9,350	+3,850
Steel Co. of Can.	58,000	+2,000
Consol. Paper	105,000	—9,850
Fraser Cos.	6,000	+2,800
Int'l Paper	38,800	+3,800
Price Bros.	62,000	+11,000
Cdn. Oil Cos.	11,600	+2,600
Imperial Oil	57,000	+1,000
Interprov. Pipeline	44,450	+450
Standard Oil (N.J.)	57,000	+5,000
Bell Tel.	111,450	+1,450
Cons. Gas	28,975	+975
Shawinigan W. & P.	121,275	+1,275
Loblaw Cos. A	14,100	+100
Do B	47,000	+700

Hospital Building Program for B. C.

From Our Own Correspondent

VICTORIA — A new $6 million hospital building program in British Columbia has been announced by Health Minister Eric Martin.

The provincial government pays 50% of all approved hospital costs.

"Hospitals which have been opened this year, or will be opened, in addition to projects currently under construction, and in the process of active planning, amount to more than $37 million," Martin said.

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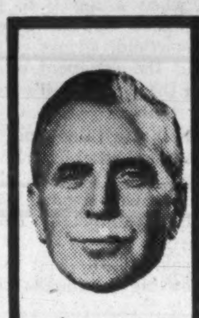

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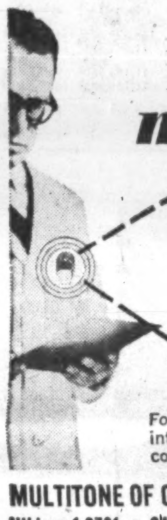

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Consolidated Balance Sheet of

CANADA PACKERS LIMITED

(Incorporated under the laws of Canada)

March 30, 1960
(with comparative figures at March 25, 1959)

ASSETS

	1960	1959
Current:		
Cash on hand and in bank	$ 1,472,050	$ 75,436
Trade accounts receivable (after provision for losses)	23,516,501	28,024,615
Inventories—		
Product, materials and supplies on hand, in transit and committed for—valued at the lower of cost or market, less reserve of $6,000,000	37,589,247	37,906,168
Life insurance (cash surrender value)	360,979	342,214
Prepaid expenses	1,003,741	919,848
Sundry advances and balances receivable	645,164	703,909
TOTAL CURRENT ASSETS	$64,587,682	$67,972,190
Investment in securities—at cost less amounts written off	875,229	793,934
Land, buildings, plant and equipment—at cost or at depreciated appraisal values for assets appraised in the years 1919-1927	71,701,062	69,342,699
Less accumulated depreciation	47,957,753	44,619,021
	$23,743,309	$24,723,678
Goodwill	1	1
	$89,206,221	$93,489,803

LIABILITIES

	1960	1959
Current:		
Borrowings	—	$ 9,603,570
Liability to banks for cheques issued but not yet cashed	$10,626,074	11,550,798
Accounts payable and accrued charges	16,263,251	14,382,945
Provision for income, sales, municipal and other taxes	5,506,730	4,474,496
Dividends on Class A and Class B shares payable April 1, 1960	1,050,000	1,050,000
TOTAL CURRENT LIABILITIES	$33,446,055	$41,061,809
Surplus on appraisals	5,663,432	5,663,432
Interest of minority shareholders in subsidiary companies	836,883	762,148
Capital:		
Authorized and issued— 400,000 Class A shares of no par value; 800,000 Class B shares of no par value	1,438,284	1,438,284
Earned surplus	47,821,567	44,564,130
	$89,206,221	$93,489,803

Statement of Consolidated Earned Surplus
(FOR THE YEAR ENDED MARCH 30, 1960)
(with comparative figures for 1959)

	1960	1959
Balance at credit, beginning of year	$44,564,130	$41,929,217
Net profit for the year	5,357,437	4,734,913
	$49,921,567	$46,664,130
Less two dividends of 87½¢ per share on Class A and Class B shares	2,100,000	2,100,000
Balance at credit, end of year	$47,821,567	$44,564,130

Company Reports

Food

TIP TOP CANNERS LTD., Greenville, Ont., reports a net loss of $1,836 for year ended April 30, 1960. In previous fiscal year, net profit totaled $16,155.

President W. B. Hyslop reports that sales were maintained despite stiff competition. Lower profit margin accounted for loss.

Large inventories were on hand at the beginning of the fiscal year. These had been reduced by $126,589 by the end of April, 1960. President Hyslop points out that this should result in reduced interest and insurance costs.

Sales of fruit juices which company started processing in the past year are reported to be showing a satisfactory monthly improvement.

INCOME ACCOUNT

Years Ended Apr. 30:	1960	1959
Net earnings	$28,368	$49,603
Less: Deprec.	31,128	28,804
Income taxes	‡924	4,644
Net profit	*1,836	16,155
Less: Cl. A divds.	11,683	11,683
Surplus for year	*13,519	4,472

‡Credit.
*Loss or deficit.

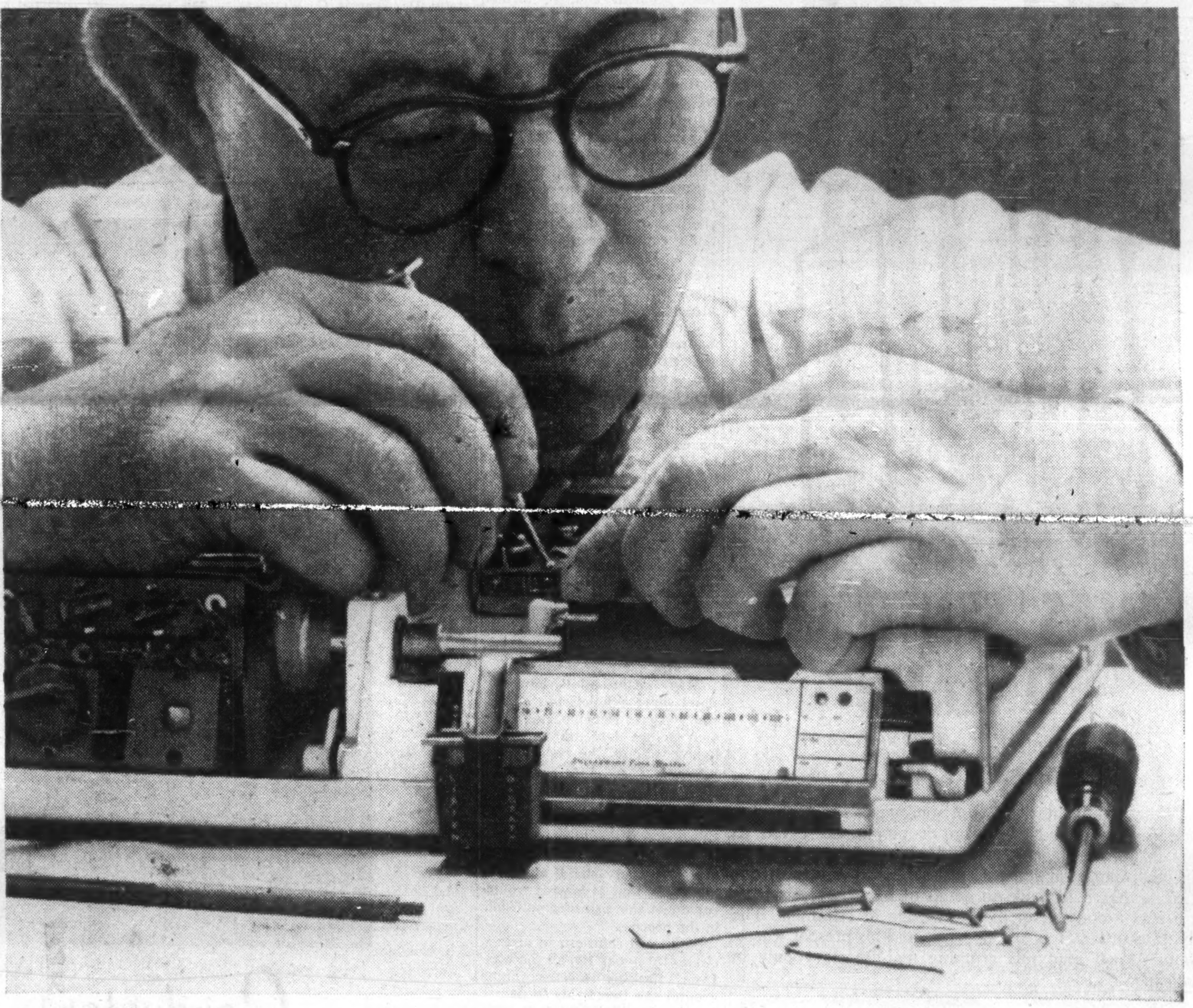
Earnings per Share and Dividend Record:		
Class A†	d$0.08	$0.69
Paid	0.50	0.50
Class B†	d0.58	0.19
None paid.		

†Before participation, no earnings available for participation.

Shares o/s at Apr. 30:		
Class A, n.p.v.	23,366	23,366
Class B, n.p.v.	23,366	23,366

CONDENSED BALANCE SHEET

As at Apr. 30:	1960	1959
Cash	$1,149	$8,598
Accts. rec.‡	122,499	123,532
Insur. dep.	16,065	15,332
Prep. exp.	3,118	10,298
Inc. tax rec.	2,153	......
Inventories	398,983	525,572
Total curr. assets	543,967	683,332
Fixed assets†	183,259	174,718
Total assets	727,226	858,050
Due bank	285,171	410,000
Accts., etc., pay.	40,354	29,037
Taxes pay	......	1,793
Total curr. liabs.	325,525	440,830
Def. liab.	75,500	77,500
Dividend reserve	11,683	11,683
Capital stock	116,630	116,630
Capital surplus	3,791	3,791
Earned surplus	193,897	207,416
†After deprec. of	390,657	361,149
‡After res. of	12,243	12,842
Working capital	218,442	242,502



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ANNOUNCEMENT

BOLTON, TREMBLAY & COMPANY APPOINTMENT

A. J. FROST

Mr. A. Hamilton Bolton, President, announces the election of Mr. A. J. Frost, F.C.A., to the position of Executive Vice-President of Bolton, Tremblay and Company firm of Investment Consultants and Mutual Fund advisers. Mr. Frost will assume senior administrative responsibilities immediately. He is also a director of Mutual Funds Management Corporation Limited, the management company of Mutual Accumulating Fund, Mutual Income Fund and Mutual Bond Fund.

Nearby Airports Collision Hazard

Landing at the wrong airport makes an amusing story, but airline pilots are worried that this kind of "togetherness" could end in tragedy.

Business fliers and light plane airmen are worried too.

By CLIVE BAXTER

MONTREAL (Staff) — Despite its generally light-hearted treatment both in the press and Parliament, many airmen are concerned about last week's incident when a big U.S. jet airliner landed at the wrong Montreal airfield.

Much of the comment on it was along the line — "all's well that ends well."

But this is the third time in recent months that a big airliner has mistaken Cartierville airfield for Dorval airport. The two are an uncomfortably close 3 mi. apart.

Last week was the first time one of the big jets made the mistake.

It was a **Pan American World Airways' Boeing** 707 en route from London to San Francisco. The pilot was unfamiliar with Montreal.

As he approached through a medium haze in early evening, the Dorval controller "cleared" him to land on runway "28" — the runway that points in the direction of 280 deg. He did, but at the wrong field.

There followed some brisk use of the brakes as the 150-ton machine with its 93 passengers pulled up on the 6,350 ft. available, compared with the 9,000 ft. to 10,000 ft. of most jet runways. The pilot made it, but luck was on his side.

In doing so he joined pilots of **British Overseas Airways, KLM, Air France and even Trans-Canada Air Lines** who have all made the same mistake. In the past the lines have handed out some strict disciplinary punishments to the captains involved.

But a troublesome question remains for airmen, passengers and Montrealers who live near the two airfields:

If that many experienced pilots have made the same mistake, shouldn't something be done about it?

The sky around Cartierville is usually buzzing with small planes, most flown by student pilots.

From time to time **Canadair Ltd.** test pilots join the throng with lumbering CL-24s and CL-28s — and soon 1,200 mph F-104 Starfighters.

This combination would present problem enough, airmen feel, even if the field wasn't just a hop, skip and a jump from Canada's busiest international airport.

One solution that has been frequently discussed is construction of a new field to the north of Montreal Island. (The south is unsuitable because of the big military jet base at St. Hubert).

Small plane operators at Cartierville are not enthusiastic about moving off the island. Their central position is good for business. And many have spent considerable sums on plant and equipment at the present field.

Jack Scholefield, president of **Laurentide Aviation** — the field's biggest light plane operator — has mixed feelings on the situation.

"Certainly something has got to be done to prevent any more incidents like last week's," he told **FP**, "I have already written to Air Industries and Transport Association in Ottawa with my solution. The runway headings aren't that exact anyway, and I think the numbers at Cartierville should be changed — for instance make 28 into 27.

"But as for the risk of collision, that has never been a problem. All our planes have radio and the pilots avoid Dorval."

Many airline pilots, however, don't share Scholefield's optimism. Perhaps remembering their own trainee days, they are unhappy about the hoards of weekend flyers that swarm so close to Dorval's busy approach routes.

Supporters of a new field admit that it wouldn't solve the problem of pilots mistaking the two Montreal Island airfields, but argue that at least it would cut down the risk of a collision in the process.

Suggested solutions in airline circles this week ran all the way from flashing electric signs around the two fields to painting Cartierville's runways with violently colored stripes.

The problem is more acute right now at Montreal than elsewhere in Canada, because of the proximity of the two fields. But planes have landed at the wrong airports in Toronto and Moncton at one time or another.

First Half Loss $8 Million: CNR

MONTREAL (Staff) — Net operating deficit of **Canadian National Railways** for the first half of 1960 was $8.3 million ($1.4 million for the same period of last year).

Revenues were $352.9 million ($365.4 million) and expenses $361.1 million ($366.8 million).

For June — most recent figures available — CNR had a net operating defiiciency of $738,000 ($2.9 million).

The figures show:

Month of June:	1960	1959	Decrease
	$	$	$
Op. Rev.	59,291,000	65,893,000	6,602,000
Exp., Taxes & Rents	60,029,000	63,028,000	2,999,000
Net Op. Inc.	738,000*	2,865,000	3,603,000
6 mo. from Jan. 1:	1960	1959	Change:
Op. Rev.	352,855,000	365,428,000	12,573,000
Exp., Taxes & Rents	361,124,000	366,805,000	5,681,000
Net Op. Inc.	8,269,000*	1,377,000*	6,892,000

HALF-CAB TRUCK

White Motor Co. of Canada will merchandise a half-cab ready-mix and dump truck chassis, developed by **Cook Bros.** of Los Angeles. **White Motor Co.** will make the chassis at Lansing, Mich.

CIL Profit Jumps by 27% On a 15% Sales Increase

MONTREAL (Staff) — **Canadian Industries Ltd.** and its subsidiary companies had a consolidated net profit of $4,492,000 or 51c per share for the first half of 1960.

That is a 27% increase over first-half 1959, $3,537,000 or 40c per share.

Consolidated sales were $91.5 million ($78.6 million a year ago), a 15% gain.

CIL's president Peter C. Allen attributed the increase in net profit "mainly to the increase in volume of business".

He said that exports of Terylene polyester fibre and of Polythene were much higher although competition in world markets for Polythene "is severe and increasing".

Domestic sales of Terylene showed an encouraging increase.

Sales of paints were higher than the combined first-half total for CIL and **Brandram-Henderson Ltd.**, which CIL recently acquired.

Demand for explosives and blasting agents stayed firm, the report said, but the use of ammonium nitrate mixtures prepared at the site of operations is growing. Acid sales for processing uranium were lower than a year ago and are likely to sink still further.

Construction of CIL's caustic potash plant at Cornwall, Ont., and the new Polythene film extrusion and converting plant of **Mastex Industries Ltd.** of Brampton, Ont.—a CIL subsidiary — is well under way, with completion set for this year.

Alberta Iron Ore Shipped as Test

From Our Own Correspondent

EDMONTON — A trainload of 3,500 tons of iron ore has been shipped from the Clear Hills area of northwest Alberta to **Republic Steel Co.**, Birmingham, Ala., for testing.

The tests will show whether the ore can be concentrated by the direct reduction method into briquettes.

If the tests, which are expected to be completed by end of August, are satisfactory, it might lead to construction of a multi-million dollar briquette plant by **Premier Steel Mills Ltd.**, Edmonton, at the site of the deposits.

"We regard this as being of tremendous importance to industrial development in Alberta," states Dr. Francis G. Winspear, company president.

Plans would be to ship the briquettes by rail to Edmonton, where a steel plant (now using scrap iron) is operated by Premier Steel.

One large U. K. steel firm with **a Canadian subsidiary** is reported interested in the project with Premier.

Stelco Profit Down in Half

Although total sales of Steel Co. of Canada in the first six months of 1960 were slightly higher than in corresponding period of last year, net profit was substantially lower.

Earnings for the period amounted to $11,549,771, equal to $2.66. This compares with $15,663,147 and $3.61 respectively in same period last year.

The lower profit reflected increased raw material, wage and other costs and heavier charges to depreciation, president V. W. Scully stated in a letter to shareholders.

Furthermore, there was a marked downturn in demand for steel in the second quarter and, as a result, volume of incoming orders was not sufficient to sustain operating rates at the high levels of preceding months.

To supplement domestic business, orders from abroad have been secured.

But this export business "has not been very remunerative," Scully said.

Imports of steel and products are increasing from Europe and Asia where producers are operating their plants at rates far above those now in effect in North America and are thereby getting all the competitive advantages of low wages and high output.

"While outlook for remainder of the year is still uncertain, there has been some improvement recently in steel demand," Scully said.

The extent of any improvement that may take place will depend largely on the trend of general business conditions in Canada in the next few months.

How Stelco has fared:

Six Months Ended:	June 31 1960	June 30 1959
Sales	156,229,225	154,289,664
Net profit	11,549,771	15,663,147
Per share	2.66	3.61
Depr. and depl.	11,196,759	9,402,125
Income taxes	11,161,675	13,992,060
Production (Ingot tons)	1,221,877	1,199,303
Rolled (incl. purchased steel)	1,304,440	1,287,050

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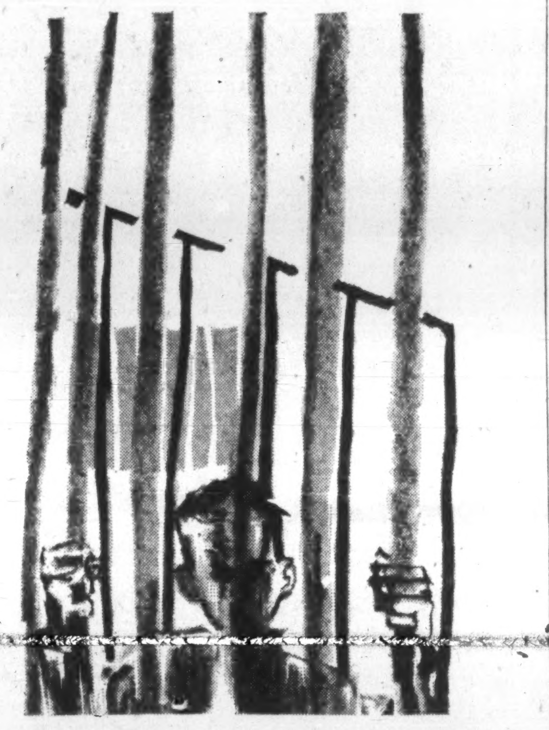


I WAS SENTENCED TO HANG

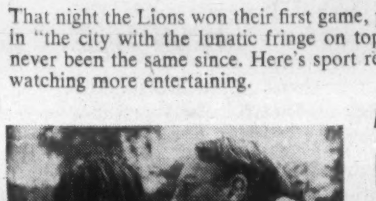
As told to Maclean's Associate Editor,

SIDNEY KATZ

At 17 the author murdered a prison guard. His death sentence was commuted to life imprisonment; he served 15 years in a federal penitentiary. Today he is a free and respected man, practicing a surprising profession. In this article he has held back no detail of his crime, his trial, his life as a convict, or his knowledge of criminals. The only unrecorded facts are his name and his present whereabouts. You'll read this gripping real-life story only in Maclean's!

HOW FOOTBALL MADNESS HIT VANCOUVER

That night the Lions won their first game, pandemonium broke loose in "the city with the lunatic fringe on top" — and Vancouver has never been the same since. Here's sport reading to make your sport watching more entertaining.



McKenzie Porter on

DOGS: their new high life

Purebred dogs are now a $20,000,000 industry, and in this report — full of fact and flavored with fun — McKenzie Porter introduces us to the social-climbers who own these dogs, dress them in mink, and even take them to canine psychiatrists.

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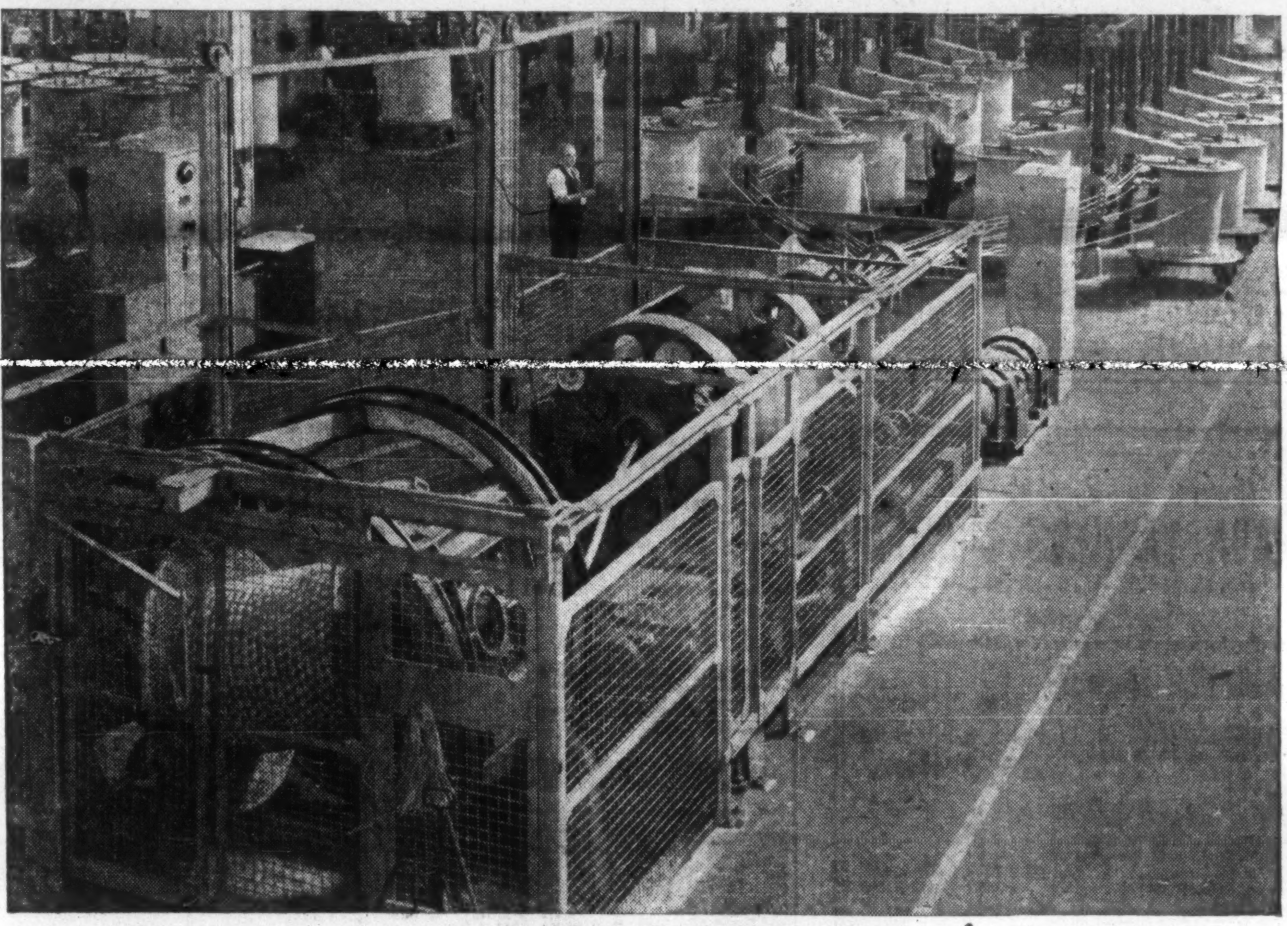

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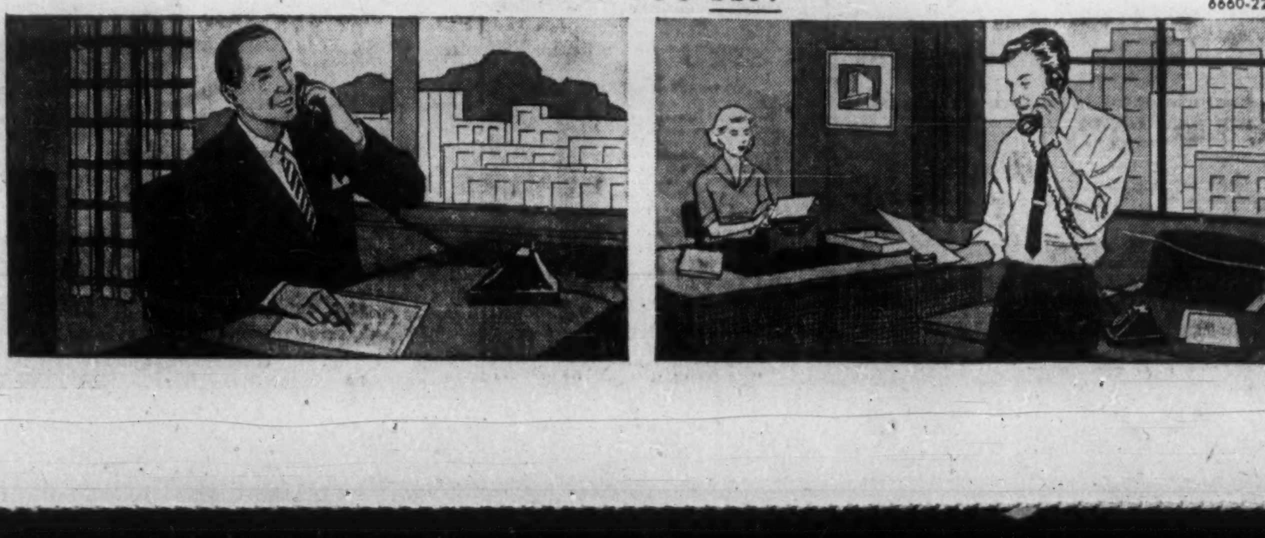

MR. & MRS. DON BRADDON examine a lamp.

These Customers 'Taken for Ride'

This furniture business grew by leaps and bounds and one, long 12 mi. jump . . .

By FRANCES BALDWIN

When a customer walks into **Fine Furnishings by Braddon** on Talbot St. in downtown St. Thomas, Ont., he usually ends up being driven to another Braddon store in the village of Shedden, a distance of about 12 mi.

This is because Don Braddon, when he decided to expand his furniture - appliance - hardware store two years ago, made up his mind to hang on to his low-overhead Shedden location — and have the customers come to him.

Braddon started a hardware store in Shedden just after World War II.

He did well with it, and in 1953 branched into furniture as well as the **McClary-Easy** appliances and **Admiral - RCA Victor** lines he had been carrying.

In 1958 when Braddon felt he was ready to expand again, he decided that his 30 ft. by 100 ft., two-floor store and separate warehouse was enough of a building investment for a small village.

At the same time, he didn't want the larger overhead of a big St. Thomas location.

It was then that he decided to hold down overhead by having a small St. Thomas location and letting his delivery men and trucks look after both locations — making Shedden deliveries in the morning and St. Thomas deliveries in the afternoon.

All warehousing for both locations would be done from the low-overhead warehouse Braddon already had in Shedden.

Besides his low overhead, Braddon had another gimmick: **His wife,** who had just finished an interior decorating course at the Chicago School of Interior Decoration.

The Braddons decided to offer free interior decorating advice to the people of St. Thomas and Elgin county.

They also decided to move into higher priced merchandise with the opening of the St. Thomas store.

The Shedden location has one other big plus advantage:

Night shopping.

When Braddon runs a two-week special promotion in Shedden, the Shedden store is open from Tuesday to Friday night.

All the St. Thomas staff is moved to Shedden, and it becomes the centre of operations for this sale period.

On non-special periods, the Shedden store is open two evenings a week — Thursday and Friday — as well as daytime, except for Wednesday afternoons.

Braddon carries brand-name lines—**Kroehler, Snyder, Serta, Knechtels, Middlesex Furniture,** etc.

However, in order to be able to feature price specials as well as quality, he buys a lot of discontinued styles, covers etc. in quantity.

And he has also specialized in three-room groupings (40-pieces), which, he says, usually brings the appliance orders as well as the furniture order. The appliance orders range from $1,000 to $1,500.

Braddon carries all short-term accounts himself.

He discounts long-term paper with a local finance company, which gives an attractive deal to Braddon customers, because Braddon vendor-guarantees all paper.

Most of Braddon's sales contracts run for about 18 mo., but he has an add-on policy which will take it to 36 mo.

Braddon provides each new appliance customer with a one year's free service warranty, but sub-lets the service to **Roy Inch & Sons Service Centre,** the firm which is also the McClary-Easy service centre for St. Thomas.

Braddon takes trade-ins at both his St. Thomas and Shedden outlets, and sells trade-ins from his warehouse location in Shedden. Trade-ins are reconditioned by his own staff in a shop at the rear of the Shedden store.

Braddon draws customers from all over Elgin county, but the biggest part of his business comes from St. Thomas.

He uses his St. Thomas store as a central office and contact point for customers making payments, calling for service, asking about merchandise featured in ads.

If the customer wants to see a larger cross-section of furniture than Braddon has available in St. Thomas, he is driven to the Shedden location, with the clerk using the 15 minutes transit time to find out more about exactly what the customer wants to purchase.

Braddon is happy about his unorthodox method of expansion. His low-overhead warehouse and building in Shedden is now being used to capacity; more business has been won with little additional investment.

Westcoast Now in Black

Westcoast Transmission Co. showed an operating profit in April and May, 1960, the first two months of its current fiscal year, president Frank M. McMahon told shareholders at company's annual meeting.

Natural gas deliveries through the Westcoast pipeline system averaged nearly 300 million cu. ft. a day through the first six months of 1960, an increase of 20% over 1959 sales volume.

"This volume will provide revenues more than sufficient to meet all interest, depreciation and other charges to operations," McMahon said.

Plans were outlined to build a 250-mi., 30-in. pipeline into the Fort Nelson area of northeastern B. C. to market the substantial gas reserves discovered there.

The line will be built by **Gas Trunk Line of B. C.,** a newly-incorporated company to be owned by Westcoast and other oil and gas companies operating in the area.

Actual construction will begin next spring and is scheduled to be completed in late fall of 1961.

Initial deliveries from the northern extension will average 250 million cu. ft. daily. Added to present Westcoast load, it will raise volume carried by Westcoast system to some 585 million cu. ft. daily. This increased load will necessitate expansion of Westcoast's present facilities.

"The supply and market situation are such that Westcoast must plan the installation of an additional 30-in. pipeline paralleling its present system as soon as the Gas Trunk line is in operation," McMahon said.

Metro Toronto's Growth Rate Most Rapid in North America

Metro Toronto is now the fastest-growing municipal federation in North America, according to the Toronto Real Estate Board, which also lays claim to being the largest real estate board in the world.

The Toronto area is experiencing a real estate boom and a surge of growth unparalleled in its history, according to A. G. Sanagan, TREB president.

Toronto, he says, with a population of over 1.5 million, houses about 9% of Canada's population.

Between 1951 and 1956, about 175,000 people came to Toronto. Over 75% of them were from outside Canada. Net immigration, he said, could average 25,000 people annually in the next 20 years.

To handle this growth 650,000 jobs had to be provided. Since inception of Metro Toronto in 1954, over 110,000 dwelling units were built of which 60,000 were single family dwellings.

The financial and commercial heart of the city and the thriving industrial suburban areas provide nearly 11% of jobs available in Canada.

Other Sanagan observations:

- **Since 1950,** over 25,000 real estate transactions have been completed each year accounting for a real estate turnover averaging $450 million a year.
- **Construction spending** of all kinds in the past 10 years in the metro area totaled $4,000 million, an average of $400 million a year.
- **When TREB inaugurated** its photo co-op system in 1953, it sold 2,699 properties for $38.9 million. Last year co-op sales totaled $159.8 million.
- **TREB's membership** now totals 3,300 — an increase of 300% over 1953. In the first six months of 1960 alone, 300 new members joined up.

Sales goal for 1960: $200 million through photo co-op.

Toronto, says Sanagan, will continue to be the focal point of an economically vital area containing one-fifth of Canada's population and one-third of her purchasing power.

Upturn in Housing Seen As Starts in June Perk

Housing starts showed an upturn in June.

In urban centres of 5,000 population and over, there were 8,706 starts in the month, 23% below the June, 1959 figure.

In May, the decline was 38%.

For the first half of 1960, starts in these urban centres were 34.7% below starts for the first half of 1959.

Under NHA, loans were approved in the first six months of 1960 for 10,943 dwellings, 62% below the corresponding period of 1959. In June, the life, loan and trust companies approved loans under the Act for 1,931 dwellings, 19.5% more than in June, 1959.

Direct CMHC loans in June were for 2,108 dwellings, down from the year before by 33.9%.

For the first six months, life, loan and trust companies approved 7,323 loans, down 13.1% from last year's 8,428 for the same period.

Chartered banks made only 41 loans for the period against 11,302 last year.

Starts for the comparable six-month periods in 1960 and 1959 were 29,559 and 45,234. Completions totaled 43,428 this year and 46,579 in 1959.

Under construction at June 30: 45,933. Last year: 60,791.

Completed, unoccupied dwellings in the 36 major centres totaled 3,614 at the end of June, a 17.4% increase over the June, 1959, figures of 3,078.

Quebec, Maritimes Ports Join Forces in Promotion

MONTREAL (Staff) — Look for a lively new promotion campaign by Quebec and Maritime Provinces ports.

Purpose: To combat the increasing flow of our imports and exports through U. S. ports.

Canadian trade through U. S. ports is running around $430 million a year, up from $330 million in 1954.

At a one-day meeting in Montreal, sponsored by the Montreal Port Council, it was agreed that joint promotion by Eastern Canada ports would help to divert some of this flow to domestic facilities.

Attending the meeting were representatives from Saint John and Halifax, Montreal, Quebec, Trois Rivieres and Chicoutimi.

Many ideas, including establishment of a Canadian port bureau in Europe and stimulation of winter business for Saint John and Halifax, were discussed.

"We have the advantage of excellent facilities built up through years of experience," said Montreal Port Council president R. L. Dunsmore who acted as chairman of the meeting.

"But we have to bring these advantages to the notice of shippers."

Montreal would like to see more winter trade through the Maritime Provinces ports.

"If winter business goes to Boston or New York, it's hard to recover," said a spokesman.

Among chief targets in the new drive will be Canadian subsidiaries of U. S. and other foreign parent companies whose routing policies are controlled externally.

More freedom in choosing ports will be sought for the Canadian firms.

The port officials who met in Montreal are laying plans for a further meeting at which some concrete promotional action is expected.

Company Reports

Iron and Steel

MARITIME STEEL & FOUNDRIES LTD., New Glasgow, N.S., net profit of $104,017 in 1959 was 19.2% lower than 1958's net of $127,175.

President Clyde F. Cameron reports that results were "reasonably satisfactory" in view of competitive conditions.

INCOME ACCOUNT

Years Ended Dec. 31:	1959	1958
Net oper. income	$231,760	$246,352
Less: Income taxes	127,743	119,177
Net profit	104,017	127,175
Less: Pref. divds.	21,576	21,576
Com. divds.	27,343	27,341
Surplus	55,098	78,258
Earnings per Share and Dividend Record:		
Preferred	$28.93	$35.37
Paid	6.00	6.00
Common	6.64	8.50
Pd., voting stk.	2.00	2.00
Pd., nonvoting stk.	2.40	2.40
Shares o/s as at Dec. 31:		
6% Pref., $100 par	3,596	3,596
Voting, com., n.p.v.	5,441	5,441
Nonvot., com., n.p.v.	6,977	6,977

CONDENSED BALANCE SHEET

As at Dec. 31:	1959	1958
Cash	$73,791	$10,932
Accts. rec., less res.	439,752	617,660
Deposits on tenders	65,911	102,748
Inventories	1,495,462	1,360,618
Prepd. exp.	17,412	20,722
Total curr. assets	2,092,328	2,112,680
Invest. in subs.	74,118	80,649
Fixed assets†	590,914	663,460
Misc. assets	539,062	553,438
Total assets	3,296,422	3,410,227
Bank loan	......	157,500
Taxes pay.	111,788	13,656
Accts. pay. & accr. liab.	296,023	409,415
Total curr. liab.	407,811	580,571
Invent. & replace res.	292,000	292,000
Capital stock	940,075	940,075
General surplus	1,656,536	1,597,581
†After deprec. of	1,021,452	924,436
Working capital	1,684,517	1,532,109

Mining

BUFFALO ANKERITE GOLD MINES had a loss of $41,727 in 1959, compared with a profit of $22,784 in 1958.

Extended negotiations have been under way and if successfully completed will require a special meeting, F. R. Burton, president, says. It is hoped to call the annual meeting, together with a special meeting if needed, shortly.

INCOME ACCOUNT

Years Ended Dec. 31:	1959	1958
Invest. & sund. inc.	$28,942	$35,976
Less: Admin. exps.	17,731	13,192
Outside expl.	52,938	......
Net profit & surp.	*41,727	22,784

*Loss and deficit.

Note—Outside exploration of $82,421 written-off through surplus accounts in 1958.

Earnings per Share	d$0.042	$0.023
None paid.		
Share o/s as at Dec. 31:		
Common, $ 1 par	997,500	997,500

CONDENSED BALANCE SHEET

As at Dec. 31:	1959	1958
Cash	$77,962	$66,206
Mkt. secs.†	290,965	282,411
Short-term notes	274,790	284,866
Accts. rec.	20,551	17,206
Prep. exp.	1,733	2,442
Total curr. assets	666,001	653,131
Stores at cost	9,700	20,484
Invest., adv., sub.*	208,796	215,077
Invest. Alminex§	374,758	......
Mining props.	1,158,728	1,158,728
Oil & gas partic.	......	417,777
Plant & equip.▲	1	1
Total assets	2,417,984	2,465,198
Total curr. liabs.	7,268	25,073
Capital stock	997,500	997,500
Capital surplus	413,597	413,597
Earned surplus	999,619	1,029,028
†Mkt. value	273,378	302,866
*After res. of	50,470	46,218
§Mkt. value	795,875	......
▲At nominal value.		
Working capital	658,733	628,058

Merchandising

CANADIAN WALLPAPER MANUFACTURERS LTD., Toronto, consolidated net profit of $497,812 for year ended April 30, 1960, was 48.6% higher than previous year's net of $334,964.

Increased profit resulted from higher sales and operating efficiency, President Ivan C. Sanderson reports.

Easing of restrictions on wallpaper imports into Australia and New Zealand enabled company to re-enter those markets.

Domestic sales improved in the last two months of the year following a depressed spring market.

Subsidiary **Dominion Colour Corp.** reported record profit. A number of new products are being manufactured and continuing program of research and development is under way.

Unprofitable stores of **Empire Wallpaper & Paint Ltd.** have been disposed of or moved to better locations.

A new store has been opened at Cloverdale Mall Shopping Centre, near Toronto, and additional stores are planned.

Company acquired **Birge Co.,** Buffalo, N.Y., as a wholly-owned subsidiary as of Aug. 31, 1959. It is planned to modernize machinery at this new subsidiary this year to improve efficiency and reduce costs.

CONSOLIDATED INCOME ACCOUNT

Years Ended Apr. 30:	▲1960	1959
Net earnings	$1,356,091	$862,428
Less: Depr.	254,704	‡191,487
Interest	62,575	27,800
Taxes	541,000	‡308,177
Net profit	497,812	334,964
Less: Dividend	193,869	161,557
Surplus for year	303,943	173,407

‡Basis of recording deprec. has been changed for year ended April 30, 1959, from straight-line to diminishing balance method. Co. has adjusted accum. deprec. by $137,277 through surplus to bring it into agreement with amts. claimed for tax purposes in prior years.

▲Includes results of The Birge Company Inc. from date of acquisition, Aug. 31, 1959.

Times All Interest Earned:		
Before deprec.	21.67	31.02
After deprec.	17.60	24.13
Earnings per Share and Dividend Record:		
Class A & B	$3.85	$2.59
Payable	†1.50	1.25
†Subject to approval of shareholders.		
Shares o/s as at April 30:		
Class A, n.p.v.	25,839	25,809
Class B, n.p.v.	103,407	103,437

CONDENSED CONS. BALANCE SHEET

As at Apr. 30:	▲1960	1959
Cash & invests.	*$428,526	$1,411,910
Accts., etc., rec.†	1,787,683	1,094,458
Inventories	2,566,337	1,716,492
Prep. exp.	118,130	51,056
Total curr. assets	4,900,676	4,273,916
Mtge. & notes rec.	313,255	320,190
Design, etc., costs	1	1
Fixed assets‡	2,625,289	1,700,487
Total assets	7,839,221	6,294,594
Bank loan	442,931	......
Accts., tax. pay.	1,453,920	702,414
Divds. pay.	193,869	161,557
Debent. due	58,516	40,000
Total curr. liab.	2,149,236	903,971
Funded debt	500,000	520,000
Invent. res.	319,639	319,639
Conting. res., etc.	285,000	285,000
Capital stock	2,648,482	2,648,482
Surplus	1,936,864	1,617,502
‡After depr. of	3,072,958	2,140,366
†After res. of	81,230	70,000
*Cash only.		
▲Consolidation includes accounts of The Birge Company Inc. in 1960.		
Working capital	2,751,440	3,369,945

OPPORTUNITIES

FOR SALE

National Swimming Pool Manufacturing and Sales Company operating under United States pool company license. One third interest available to responsible group or individual. Write for complete details: **Principal, 3267 Bloor St. W., Toronto 18, Ont.**

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Would like to contact versatile, analytical mind. Need individualist with foresight and ability to evaluate logically, and invest in his own choice of a number of inventions. OBJECT: Sponsorship which may be mutually rewarding. Write: Trevor Scott, 826 Sheppard Ave. W., Downsview, Ont., or phone ME. 5-6884.

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Canada's original Franchise reporting service has exclusive territories open to active and responsible businessmen who are interested in promoting dealerships, agencies and franchises of all types. Provincial rights now being granted for distribution of unique monthly bulletin and handling of local accounts. Minimum investment of $2,500 required.

Contact:

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3267 Bloor St. W.
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Yearly return 30% on potential $45,000 investment for high traffic, long-established Toronto Kingsway store with annual turnover exceeding $110,000. Figure quoted includes goodwill, fixtures, top quality men's, women's inventory (children's if desired). Purchase of stock, however, is optional. Seller offers special management supervision arrangement. Lease to 15 yrs. Rental—$550 month. Heated, air-conditioned. Immediate possession. Call HU-9-1159, or write Mel Johnson Footwear, Ltd., 350 Eglinton Ave. W., Toronto.

Setting up in New England?

Canadian Manager of old New England company has time to devote to the affairs of a Canadian company interested in setting up in New England or interested in New England distribution.

Reply to Box 993, The Financial Post, Toronto

VALUABLE FRANCHISE

Fire Safety Division of Dictograph Company is now expanding its franchised dealer organization. The product is an absolute necessity for every home, many businesses and all types of institutions. Your salesman will use a color slide film narrated by Westbrook Van Voorhis to give his sales message impact.

Substantiated sales records of existing franchises over the past ten years indicate high yearly net profits. We are interested in hearing from people who have been, or are now dealing with direct-to-consumer sales, although any successful sales or management background would qualify. Investment of $3,500 necessary. No franchise fee.

You will be interested in learning fully about this opportunity to become associated with this nationally known company. You will be given complete training and the full-time services of our regional manager, who will hire and train your sales force to assure an immediately profitable operation.

Interviews will be held within the next few weeks. Write complete details immediately to Canadian Franchise Director.

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300 CHANCELLOR AVE.
NEWARK, N.J., U.S.A.

CANADIAN DISTRIBUTOR WANTED

Large British manufacturing group in the automotive chemical business wishes to discuss with established manufacturers in Canada marketing arrangements.

The British company has available a product range with multimillion dollar sales in Europe and believes that a much larger market exists in Canada. It is essential that any company interested must have adequate packing facilities, but in addition a complete sales and distributive structure both to the consumer and industrial fields in Canada.

Principals only.

The Slip Group of Companies,
MOLYSLIP Division,
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London, E.C.3.,
England.

OPPORTUNITIES

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Well established Manufacturers' Agency covering Maritime Provinces are in position to take on an additional line. This can be handled on a commission basis or as a distributor. We represent only top flite Manufacturers and are only interested in such a connection. Write **P.O. Box 572, Moncton, N.B.**

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Personal investigation has put me in touch with several desirable business situations in B. C. In each case sizeable and profitable companies are, for good reasons, available for purchase or for merger. In all cases identity can be revealed to a qualified prospect with owner's permission

If your company is interested in expansion in B. C. or if you may wish to relocate in Vancouver or Victoria through personal investment, you are invited to write. A brief outline of your aims will bring a quick reply as to my ability to help.

My role is that of a broker with fee paid by the seller — references gladly supplied.

B. B. Tingley — Consultant in Merchandising

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$400,000.00 well secured 6% — 5 years — Principals only please. Reply in strictest confidence.

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How Canadian Firms Fight Graft, Payola, Kickbacks

By NORTON ANDERSON

How do Canadian corporations protect themselves against employees taking kickbacks?

What is the incidence of kickbacks, payola and graft in Canada?

We're not talking about "the small stuff" — whisky or pens or flowers at Christmas, free joyrides in fishing season.

This is an examination of "the big stuff". This includes the occasional but very substantial bite that an employee of Company A or an officer or director thereof puts on Company B from which it buys some goods or services.

It includes, too, the systematic organization of a toll-gate whereby an employee of one company arranges a situation where he personally benefits from the outside buying arrangements of his own company which he is probably in position to influence in part or absolutely.

Naturally, information on these dark aspects of corporate management possibilities is not easy to come by.

But what follows comes from dozens of interviews with corporation officials, chartered accountants and other professional men of various kinds.

The coin of business corruption in Canada has two faces:

- **One side** is clearly etched for all to read. Most Canadian companies have hard policies to govern employees in sensitive areas of buying.

These policies often outline quite specifically what gifts, and their value, may be accepted by employees.

- **But the other side** of the coin apparently too often carries grease.

How can kickbacks be given in companies where strict rules and close scrutiny of employees' actions are enforced?

One supply company president's answer: "It's a long way, and there are plenty of hurdles, between the president's office and the buyer's department".

The head of an old-established food-brokerage firm estimated that "90% of the buyers in the food business are clean".

What about the other 10%?

"They can be got to," he said.

"Every one of these buyers has his limit.

"It isn't a case of cash kickbacks generally.

"Often a suit of clothes does the trick.

"Or the buyer is told to take his car to a certain dealer where he picks out a new car—and an agent arranges to pay the difference.

"A prepaid holiday in Florida (including spending money) is another way helpful buyers are recognized.

"Contributions to the man's personal bank account can help assure favorable treatment."

Then, he said, as competition gets tougher, the kickbacks can get bigger with certain buyers.

"After all, a few thousand dollars might be the easy way out for some suppliers," he said.

A Montreal-based firm doing a national, consumer-product business fired two successive purchasing agents in a 15-year period for taking kickbacks.

It was estimated that the second man accepted $35,000 worth of "bonuses" for favoring certain suppliers — over a five-year period.

How much this pay-off cost the company in extra charges for supplies is a matter of conjecture. But a former official of the company said:

"An investigation showed that we paid higher than the lowest competitive price for a goodly number of products."

A new purchasing agent (carefully checked as to character, background) was chosen.

In Toronto a manufacturer who sought new business from this company told **FP**:

"I found the new purchasing agent to be a good guy. When I discovered he didn't have a 21-in. TV set at home, I had one delivered with my compliments. The TV set was accepted."

Said an ex-official of this company with chronic payola troubles:

"Top executive controls were divided and ineffective. Salaries were big at the top, but when it came to the purchasing agent—who could make or lose the company plenty — he was paid at the level of a senior clerk."

"Unseen arrangements make it impossible for us to get many jobs", said the president of a **flourishing firm of architects** with projects in several Canadian provinces.

"If the Cadillac or Lincoln in the garage is more important than any other consideration, then you will find a man who is grabbing what he can get.

"Since our fees are standard throughout the profession, if inferior buildings are erected with sub-standard specifications, then it is likely that real monkey business has been going on," he emphasized.

"Some government contracts awarded make you ask: How could that firm have been selected?"

When a large Canadian hotel was being built — and while potentially lucrative concessions in the hotel were being arranged — hotel officials, according to one of them, were "flooded" with all sorts of special offers.

Certified cheques showed up on executives' desks.

Small gifts — flowers, imported candy, vases arrived. Letters offering "lifetime" free use of limousines came; offers to sponsor the executives in exclusive clubs (and pay the entrance and other fees) came in the mails.

Said a hotel official:

"This moral breakdown business isn't funny. The thing that makes a man resist boils right down to personal integrity — often the approach is so subtle that the greatest discrimination is required.

"And I hope it is not the fear of detection that makes us desist.

"I also hope it is not the thought that the corrupter would have his hands around my neck."

Greater or lesser degrees of tolerance were found to exist, depending upon what group of Canadian businessmen were doing the answering.

Widely condoned as innocent are: Gifts (in appreciation, remembrance, cordial business relations).

"Just something for (the house, the summer home, the wife, the kids)," they say.

Finder's fees, split commissions and fees for professional referral are considered to be legitimate — providing, according to a prominent lawyer, all these deals are "at arm's length".

Said the president of a large commercial real estate business: "Finder's fees (in our business usually 10% of the gross commission) are perfectly proper.

"But when we have completed the deal for a big space rental proposition and find that one of the men in our client's company — which is taking over the space — expects to be cut in on a third of the total commission, that's straight graft," he said.

A principal in one firm of trustees in bankruptcy acknowledged that his company pays a fee for business referred to it.

"But many offers come when we are selling bankrupt stocks," he said.

"A potential buyer offers $5,000 for the estate, and $1,000 for us — if we can get his bid to purchase accepted by the inspectors."

Auditors interviewed say it is difficult for a company to hide large cash payments for kickbacks — the payment route has to be an extremely devious one.

Loopholes exist, they say, in company payments to "charities, for fellowships, for research, retainers for special studies".

Donations to a political party might show on the books as going directly to the party, it was pointed out, whereas the cheques might be made out to individuals — and some of the money might not reach the coffers of the political party.

Tit-for-tat, "fees" for spare-time services rendered, two-way back-scratching are accepted by some businessmen, and rejected by others as questionable practice.

Loans by vendors to key men in their customers' companies were considered by all businessmen polled as tantamount to a pay-off.

"Quite a bit of this goes on", said one consumer-products supplier.

"Free" stocks, gifts of stock transferred, stock calls, a "free" percentage interest in a suppliers' business — all are condemned by Canadians I talked to.

"But the stock swaps — for favors promised or rendered — go on," said a construction man.

"Spiffs" — cash paid to salesmen, buyers and managers (in some cases) for pushing one brand of merchandise, often to the exclusion of other brands on the floor — have become a too frequent merchandising practice in a number of consumer-products fields.

"It is when the buyer, in order to get an all-expense paid trip for himself and wife for two weeks in Europe, orders a couple of carloads of merchandise to qualify — apart from spiffs to his salesmen — that I blow my top," said the president of a company which does not approve of spiffs and trips as sales incentives.

– Is the kickback situation getting worse in Canada? **FP** asked.

Many believe it is getting slightly worse.

Reason: The tolerance of Canadians has broadened.

Can a company prevent kickbacks within its ranks?

Five large Canadian companies explained to me how they protect themselves against all levels of staff kickbacks.

- **A variety chain with nearly 100 stores** from Vancouver Island to Arvida, Que.—has what it believes to be a virtually fool-proof plan.

It's a top-to-bottom-to-top system of safeguards against temptations.

The company trains all its own buyers. They start in the stockroom and come up through the ranks.

According to its Canadian vice-president in charge of store personnel, the pitfalls of accepting "gifts" are "drilled into new employees right from the first day they are with the company".

Store managers and supervisors cannot buy merchandise. Every item in their stores is purchased by a buyer. The item then is listed and an original order for all stores is placed by the head office.

Store managers re-order to keep stocks to a planned level.

No top executive may sign a buying order.

The buyer signs the purchase order which in turn is scrutinized by the sales manager and the managing director.

Extremely close attention would be paid to a situation where only one supplier was represented in a particular line. Top executives would want to know the reason why.

From store managers up to top executive, the chain pays executives a minimum guaranteed salary, but total income (by means of a contract) is calculated on a percentage of the stores' operations.

"This is a further safeguard," says this vp, "because everyone is closely concerned about the saleability of products — and what volume we are getting from the merchandise we buy."

"Regular staff meetings are held at which buyers bring up their problems. You may be sure that close study is given to sales of all items under the control of each buyer.

"This top-executive examination is a big insurance against bias and mistakes."

Letters from the managing director are mailed at regular intervals to all old and new suppliers.

Politely, but firmly, suppliers are told that it is "completely against company policy for employees to accept gifts".

One exception made (but not mentioned in the form letter):

Gifts of any type, including cigars, whisky, to a wholesale value of $5 to $7, may be accepted by employees from suppliers at Christmas.

All other gifts of a higher value must be returned promptly, with a diplomatic letter.

- **Another national chain of department stores** has "a very strict rule about gifts".

At Christmas, or anytime, the company prefers that employees accept no gifts.

Any present (over $5 in value) must be returned — a "nice" company-drafted letter is available for all employees to use.

"No employee has been fired for 20 years for accepting kickbacks," said a senior official.

Any suspicious actions by employees are investigated immediately.

Company feels it has strong internal auditing safeguards.

"Our buyers are expected to entertain suppliers. Since our earliest times the company has felt that it is unwise for our buyers to be beholden to manufacturers, and others who supply us."

In this department store chain, top executives do not originate orders.

Buyers originate orders, which are checked by senior officials.

Said the official: "If the goods they buy are not satisfactory, they are sent back.

"With this rigid policy, a dis-[illegible] some disgruntled person at the selling end would spill the beans on him."

The department store executive was asked if one of his senior officials influenced a big capital purchase — how could management protect against a kickback to him?

"No protection exists. Supposing we were buying 50 trucks. Our senior man (price and quality being equal) could urge the buying of trucks from Company B.

"Later, Company B could deliver a cigar-box full of money to his home.

"It boils right down to the integrity of the individual — and the pride of top-management in that integrity," he said.

- **Ford Motor Co. of Canada** has, according to K. E. Scott, executive vice-president, an administrative setup or rules to prevent any employee from having outside interests which might hamper independent judgment.

Ford's purchasing division is organized as a service department for the manufacturing division.

Analysis of parts to be purchased is made by specialists apart from buyers.

The finance division establishes the target for price and quality. This division would question any deviation made by buyers.

Scott says the company does not condone either the giving of presents or their receipt by employees.

- **A large grocery supermarket chain official said:**

"No one man, including the president, can authorize the placement of a new line on the shelves of our stores.

"We have a merchandising committee that approves all new purchases."

"In the 37 years I have been with this company no employee has been fired for taking kickbacks."

Lower echelon staff, he thought, would be easier to corrupt than the vice-president of merchandising.

"There would be talk and that man wouldn't last in his job."

"It is possible that a buyer could be getting a rake-off. But he couldn't do it indefinitely—each buyer has an assistant, for example."

- **"It has been five or six years since anyone at International Harvester Co. of Canada** has been fired for taking a kickback," said an official.

No top management, he said, has ever been involved in any payola.

On direction from the U. S., the Canadian company instituted a policy forbidding the acceptance by employees of gifts, including Christmas gifts. Company stopped giving, too.

And it does not countenance any approaches by customers' employees for kickback in order to sell International Harvester products.

"We would go immediately to the man's superior and bring the thing out into the open," he said.

The moral of all this:

Despite the best-laid plans, despite the checks and counter checks, any company's final defence against payola within its ranks is the morality and ethics of its men.

Industrial Growth

Manufacturing plants new to Canada; expansions of existing industry across the nation.

WINNIPEG

Border Chemical Co.'s $1 million plant in Springfield, near Winnipeg, is now producing about 50 tons of sulphuric acid a day. Capacity is 75 tons a day. Firm plans other related plants, one of which will be in operation by the end of 1960, while construction of a third starts in the new year.

WATERLOOO, ONT.

General Instrument-F. W. Sickles of Canada Ltd., Waterloo, Ont., major producer of electronic equipment and components, will shortly start producing a new line of semiconductors in its 50,000 sq. ft. plant. New facilities are now being installed and additional staff will be employed so that manufacture of the new silicon and germanium devices can start in early autumn. New line will be patterned after similar devices made by the parent firm, **General Instrument Corp.,** Newark, N.J. Canadian firm currently makes television tuners, transformers, radio coils, etc.

HAMILTON, ONT.

Columbian Carbon (Canada) Ltd., Montreal, will start construction of a new carbon black manufacturing plant in Hamilton immediately, K. A. Grant, Hamilton district industrial commissioner, reports. Firm has completed negotiations to buy a 21.4-acre site at the northwest corner of Beach Rd., and Parkdale Ave., at a cost of $250,000. Initial cost of land, plant and equipment has been estimated at $5 million. Plant will be completed and in operation by August, 1961. Initially, 100 people will be employed. Firm is subsidiary of **Columbian Carbon Co.,** New York.

BRANTFORD, ONT.

Renold Chains Ltd., Manchester, Eng., will build a manufacturing plant in Brantford, Ont., which will be operated by a new, wholly-owned subsidiary, **Renold Chains Manufacturing Ltd.** Building will contain 15,000 sq. ft. and cost around $200,000. Initially, the new subsidiary will manufacture chain sprockets. Company's products are marketed by **Renold Chains Canada Ltd.,** Montreal.

SACKVILLE, N.B.

McNamara Engineering Ltd. Toronto, will supervise construction of the new **Canadian General Electric Co.,** transformer plant to be built at Sackville, N.B. Estimated cost of the building is $366,000.

Letter of Law Hard on Bribes

By J. D. MORTON

Law Professor, Osgoode Hall, Toronto

Recent scandals have focused attention on the kickback. Jokes like "lead me to your taker" are common.

In law, a kickback is no laughing matter.

A kickback may be defined as an arrangement whereby an agent entering into a contract on behalf of his principal receives some personal and private advantage from the person with whom he places the contract.

The law prevailing in Canada has a short and ugly name for such an arrangement:

A kickback is in law a bribe.

The relationship between a principal and his agent is one of trust, what is called, in law, a fiduciary relationship. One of the obligations imposed upon an agent holding such a position of trust is not to let his own interests conflict with his duty to his principal.

If he is employed to buy goods for his principal, it is his duty to buy goods of best quality at the cheapest price.

Where he enters into an arrangement whereby he will secretly receive a reward for placing the contract with a given seller, he is clearly in breach of this duty.

If he and the seller carry out such an arrangement, it may be serious for them both.

It does not matter by what name the deal is called. In a famous English case, Lord Esher said of such a deal:

"They call this a commission and commissions sometimes cover a multitude of sins."

In a recent U. S. case what was called an "honorarium" amounted in fact to a payment of $250,000.

The court will not listen to argument that the bribe had no effect. There is an irrebuttable presumption that the agent was influenced by the bribe.

Further, as Lord Justice Smith said in another English case:

"If a vendor bribes a purchaser's agent, of course the purchase money is loaded by the amount of the bribe. It cannot be denied."

Company directors:

Directors are agents of their company in the transactions which they enter into on its behalf. The same rules apply to them as to any other agents—the various dominion and provincial companies or corporations acts deal only with situations where a director enters into a contract with his own company.

There is no special provision as to "secret commissions" or bribes. Here the director is liable like any other agent.

Liability of agent:

The consequences for an agent who takes a kickback may be serious. It matters not whether it is a money payment or some other thing of value.

- **Firstly,** he is liable to pay over to his principal the amount of the bribe. As Lord Justice Smith said, "he must disgorge".
- **Secondly,** he is liable to dismissal.
- **Thirdly,** if employed on a commission basis, he is not entitled to any commission upon the transaction as it is well settled that a principal is entitled to have an honest agent and it is only the honest agent who is entitled to any commission.
- **Finally,** he may go to jail. Section 368(1) of the Criminal Code provides that:

"368. (1) Every one commits an offence who (a) corruptly

(i) gives, offers or agrees to give or offer to an agent, or

(ii) being an agent, demands, accepts or offers or agrees to accept from any person,

a reward, advantage or benefit of any kind as consideration for doing or forbearing to do, or for having done or forborne to do, any act relating to the affairs or business of his principal or for showing or forbearing to show favor or disfavor to any person with relation to the affairs or business of his principal . . ."

The section further provides for a penalty of up to two years imprisonment.

In **R. vs. Cross,** a Canadian case decided in 1945, it was held that a similar section under the old code was aimed not only at an inducement to do or forbear to do some specific act, but also at an inducement for showing favor or disfavor generally with relation to the principal's business.

Liability of the briber:

The consequences for one who gives such a bribe are equally serious.

- **Firstly,** the principal on discovering the bribe made to his agent may refuse to go through with the contract.
- **Secondly,** as a consequence of the legal presumption that the purchase price was loaded by the amount of the bribe, the briber also is liable to pay over to the aggrieved principal the amount of the bribe.

It does not matter that the agent has already disgorged.

- **Finally,** as section 368 of the Criminal Code provides, he is liable to up to two years imprisonment.

The policy of the law:

The law imposes these very stringent penalties in the interests of morality with a view to discouraging the practice of bribery.

As Mr. Justice Brown said in a case before the Supreme Court of Saskatchewan as long ago as 1910:

"The law is now well settled that the relationship of principal and agent is one involving confidence, and it is the duty of every agent to act with the utmost good faith toward his principal, and not in any way to abuse the confidence reposed in him."

$300,000 Backs New Drive To Woo Builders to Wood

From Our Own Correspondent

HALIFAX — Makers of wood products want more of the Canadian builders' dollar to arrest declining per capita consumption in the domestic market (**FP**, Feb 20).

They'll seek it through a stepped-up promotion drive with first salvos to be fired in October to coincide with National Forest Products Week.

The executive committee of the Canadian Wood Development Council meeting in Halifax decided to:

- **Assess each member** 5c per 1,000 bd. ft. of production.
- **Channel this money** (approximately $300,000) into a national promotion campaign.

Formed two years ago to represent the lumber manufacturing and wholesale industry, the council hopes to expand markets through representation on building code and specification committees and contacts with consumer groups.

The decrease in per capita consumption of lumber is particularly noticeable in home construction, owing to growing competition from a widening variety of substitute products.

While sales of wood products are up 10% in the last 10 years, per capita use has declined 18%. Meanwhile sales of stone, clay and glass products have increased 60%.

Today, too, a large percentage of aluminum goes into home building and the lumber industry is frankly worried over the threat of the so-called aluminum home.

Less than half of 1% of gross lumber sales is used in promotion compared with 1.3% for manufacturing in general.

The Council, aware of this deficiency, is now ready to fight to protect its markets against further onslaught.

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Anglo-Newfoundland Development Co. (Grand Falls, Nfld.) — J. D. Hennessey, assistant manager of industrial relations; N. W. Pinsent, personnel superintendent covering mill and botwood operations; W. W. Hickman, personnel superintendent for logging operations.

Argosy Carriers Ltd. (Toronto) — G. M. Parke, general sales manager of Argosy Carriers Ltd., Hanover Transport Ltd. and Wm. Dalley Cartage Ltd.

Baker Advertising Agency Ltd. (Toronto) — Andrew S. Rogers, account executive.

Beaver Lumber Co. (Winnipeg) — B. H. Rieger, director.

Blankenship, Gruneau Research Ltd. (Toronto) — Dr. Kenneth C. Cheng, technical director, department of statistics.

Bureau of Broadcast Measurement (Toronto) — Duncan G. Grant, executive vice-president; Graham Wallace, members relations.

Canada Iron Foundries Ltd. (Montreal) — H. J. Lang, president.

Canadian Applied Research Ltd. (Toronto) — John W. Ames, vice-president and general manager.

Canadian Breweries Ltd. (Peterborough, Ont.) — John D. Fraser, treasurer; C. M. Richardson, assistant treasurer.

Canadian Camdex Ltd. (Toronto) — James F. Riley, Jr., director.

Canadian Canners Ltd. (Hamilton, Ont.) — R. M. Mapp, assistant to president, marketing.

Canadian Reassurance Company (Toronto) — R. R. Gallagher, executive vice-president; C. J. Trudel, associate actuary; M. Sales, secretary and chief underwriter; Jonathan C. Sinclair, medical director.

Cardy-Alpine Inn (Ste. Marguerite Stn., Que.) — Harold J. Gunning, general manager.

Chippewa Country Club Estates Ltd. (Southampton, Ont.) — C. E. Pendley, vice-president and general manager.

Cleaver-Brooks Co. (Stratford, Ont.) — Robert Fietsch, Canadian district manager.

Consumers Glass Co. (Montreal) — Budd Huntington Rieger, director. tor.

Controls Co. Canada Ltd. (Cooksville, Ont.) — Alfred Vilcini, director of operations.

Crown Zellerbach Corp. (San Francisco, Calif.) — Dr. W. M. Hearon, vice-president for research and development; Dr. John S. Barton, director of research; E. H. Nunn, assistant general manager of chemical products division; Richard E. Hayes, news bureau editor in public relations department.

Dare Foods Ltd. (Kitchener, Ont.) — J. J. Tennier, product development manager.

Du Pont of Canada Ltd. (Montreal) — Evan S. Beal, technical sales representative for petroleum chemicals in Ontario.

Ekco Products Co. (Canada) Ltd. (Scarborough, Ont.) — Robert Silberman, vice-president and manager of bakery and chemical division; James M. Walker, vice-president, sales, bakery and chemical division.

Electric Autolite Ltd. (Toronto) — William F. Purves, president.

General Printers Ltd. (Oshawa, Ont.) — V. A. Henkelman, secretary, appointed director; S. R. Bernardo, director.

J. J. Gibbons Ltd. (Toronto) — E. T. Wilson, vice-president and manager; R. A. Ruthven, account executive; John Thorp, art director; Stan Lilburn, production manager; Mrs. H. Bakes, Media Buyer, all in Vancouver.

Hubley Toys Ltd. (Rexdale, Ont.) — James K. Cooper, general manager; William W. Bowman, director of sales.

Interprovincial Pipe Line Co. (Edmonton, Alta.) — John Blight, treasurer.

Ohio Chemical Canada Ltd. (Toronto) — G. Victor Schlitzer, vice-president.

Paul, Phelan and Perry Ltd. (Montreal) — George W. Double, production manager.

Royal Trust Co. (Montreal) — D. H. W. Bath, assistant manager at Hamilton, Ont.

Saskatchewan Power Corporation (Regina) — James M. McConnell, electrical distribution superinten- [illegible] bution superintendent.

A. G. Spalding & Bros. of Canada Ltd. (Brantford, Ont.) — A. S. Ballingall, president; John J. Cloghesy, general sales manager.

F. J. Stokes Co. of Canada Ltd. (Toronto) — Roy D. Wilson, general manager.

J. Walter Thompson Co. (New York) — Robert C. Marvin, vice-president of Canadian company.

CRUSH IN VANCOUVER

Sale and distribution of **Crush International Ltd.'s** line of soft drinks in Vancouver has been taken over by **Seven-Up Vancouver Ltd.** on a franchise basis. Crush International has leased its bottling plant and equipment in Vancouver to the new franchise holder. An office will be maintained in Vancouver to serve franchised Crush bottlers in British Columbia and Western Canada.

Gattuso Corp. Bonds Offered

MONTREAL (Staff) — A Montreal-based food packer which grew from a corner grocery store — **Gattuso Corp.** — is making its first public bond issue.

An offering of $1.3 million 7% 10-year first mortgage bonds maturing serially 1961 to 1970 and non-redeemable prior to June 1, 1966, is being made at par by **Marc Carrière Ltée.**, Montreal.

Proceeds of the issue will be used in part to reimburse a first mortgage on company's plant on Côte de Liesse Road, and balance to pay part of the cost of constructing a $1.4 million plant addition.

Increase in company's sales has necessitated construction of additional production and warehousing space. The new 160,000-sq.-ft. building will be used for production of spaghetti, macaroni and for packing various sauces, olives, olive oil and other products.

Started a quarter century ago as Corona Grocery, the Gattuso business has been steadily built into a substantial food packing and processing concern.

Today company makes and markets a variety of mixes, sauces, ready-to-cook dinners, and packs olive oil, vinegars, pickles and other food products.

Company sells from coast to coast in Canada, and exports to the Caribbean.

Net profit in the first four months of this year was $17,788. In the full year 1959 profit was $91,713, compared with $101,963 in 1958 and $78,434 in 1957.

The bonds being offered are dated June 1, 1960, and mature June 1, 1970. They are not redeemable until June 1, 1966, and thereafter at the option of the company at a premium of 2%.

Outstanding capitalization of Gattuso, after giving effect to the issue, will comprise $1.3 million 7% first mortgage bonds; 5,500 5% non-cumulative redeemable preferred shares, Class A ($100 par); 1,300 6% non-cumulative preferred shares, Class B ($100 par); and 50,000 common shares ($1 par).

Officers of Gattuso are: Pasquale Gattuso, president; Matteo Gattuso, vice-president and secretary-treasurer; Francesco Gattuso, vice-president.

In addition to the officers, directors are Marc Carrière, Joseph Pelegrino and Mrs. Pasquale Gattuso. With the exception of Pelegrino, who resides in Andover, Mass., all are in the Montreal area.

THE INVESTMENT FUNDS

North American Fund Net Assets Drop by 3%

North American Fund of Canada Ltd., Toronto, net assets of $6,494,324 at June 30, 1960, were 3.4% lower than $6,725,112 three months earlier.

Net asset value per share was $8.02 on 809,753 shares outstanding, off 0.4% from $8.05 on 835,173 shares outstanding at March 31, 1960.

There was a net liquidation of 25,420 shares in the second quarter.

The fund made no changes in its holdings of Canadian securities in the quarter. Holdings of two U. S. securities were liquidated and one increased.

Here are the changes for the quarter ended June 30, 1960 in detail:

	Amount held at June 30 1960	Change since Mar. 31 1960
	— Shares —	
Common:		
Goodyear T. & R.	nil	—1,836
Firestone T. & R.	nil	—1,530
Arizona Publi Serv.	1,430	+130

FLOUR AT SAINT JOHN

From Our Own Correspondent

SAINT JOHN — First shipment of flour to reach Saint John by water from the Great Lakes for many years has been unloaded at West Saint John. The freighter SS Tempo unloaded the 20,000-bag cargo for **Maple Leaf Milling Co.**, after sailing via the St. Lawrence Seaway.

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Required by leading raw materials manufacturer for field work in Ontario and Quebec. Candidates should have at least five years experience in the paint industry and must be fully acquainted with the formulation and application of organic surface coatings.

Send full details of experience, with particular reference to acrylic epoxy and polyurethane resins.

This is a responsible position with a progressive company. State salary required. Reply in confidence to

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Department of Agriculture

OTTAWA

$8,120 - $9,800

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The man, in his late thirties or early forties, will have proven administrative experience and ability; he will be well-educated. However, his specific formal education and the route by which he acquired his experience are not important. He will have a broad knowledge of Canada, both East and West. He will live in Toronto but travel widely in Canada and U.S.

Sole responsibility to the Board of Directors will be his; he will inspire and coordinate a group of Vice Presidents; a personal staff of specialists are available to him.

In addition to everyday administration, the planning of the company's future and its relations with financial institutions, governments, associations and the public are most important aspects of the position.

All replies are requested in writing, and will be held in the strictest confidence. All qualified candidates will be interviewed. Reply to:

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Required by a Vancouver investment management firm. Field of activities: office management, minutes, prospectus preparation and filing, accounting, accumulation plan supervision, trust company liaison, possibly securities trading. Qualifications: B.Com., C.A., or equivalent experience. Age 25-35. Previous experience in securities would be desirable. Salary: commensurate with experience and ability.

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A large western corporation requires a Supply Manager to be responsible for supply planning, purchasing warehousing, stores management and control, traffic, and related activities.

Formal engineering qualifications are not essential but candidates should have broad knowledge of engineering practices and excellent knowledge of mechanical, electrical, automotive, and general equipment, materials, and supplies. Considerable experience at supervisory or management level embracing all or most of the required activities is essential.

Age 30-50 preferred. Starting salary in range $9,500 to $10,000 per year. This is a new, challenging, and permanent position.

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PRICE WATERHOUSE & CO.
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PART 9: HOW MUCH DEBT?

How to Raise and Use Money To Make Your Business Grow

One thing you can't afford to do: Let your borrowed money get out of line ...

By J. K. EDMONDS

In recent articles, we have discussed the question: Where should you go to get money for your business?

Should you borrow from relatives or friends, go to the bank, take out a mortgage, or what?

But while you're considering these alternatives, there is another important question:

How much borrowed money is it safe to use in your business?

The answer depends on:

(1) What you're going to do with the money;

(2) Where you can get it;

(3) How much you have to pay for it.

One thing you can't afford to do: Let your borrowed money get out of line with the ownership money in your business.

The relationship of debt to tangible net worth (the worth-debt ratio) in your balance sheet is something you have to watch.

The accompanying table shows that this ratio varies sharply from one business to another (and the ratios shown are **not** recommended ratios — just average ratios reported).

It is tempting to get the worth-debt ratio down as low as possible, because a business that successfully operates with a low proportion of ownership capital may make a high return on that capital through the "leverage" gained through the use of borrowed money (see panel).

But leverage works both ways, and taking on a heavy load of debt sharply increases the risks involved in operating a business. Lenders are aware of this, of course, and won't touch a business with a heavy leverage ratio except at a very high price.

One more point: In figuring the worth-debt ratio you must be very candid about the "net worth" figure. Overestimating the value of assets will overstate the "net worth" figure, and a solid-looking worth-debt ratio will then conceal a weak position.

Besides the total debt, you have to watch its timing. If most of your debt is current debt (payable within a year) and most of your assets are the kind that can't be quickly converted into cash, your "current ratio" (current assets divided by current liabilities) will show you that you might run into trouble paying bills when due.

At least $2 of current assets for every $1 of current debt is considered wise in most circumstances. But as the table shows, this ratio, too, varies from one type of business to another.

Another way to check your debt position is to calculate your "liquidity ratio".

That's done by subtracting merchandise inventory from current assets, then dividing by current liabilities. If you find the ratio is $1 to $1, it means that even if you can't collect a nickel for the goods you have in stock, you still have a dollar's worth of current assets for every dollar of current debt.

If your "liquidity ratio" gets uncomfortably low, it may be a sign that you should cut back on inventories.

If your "current ratio" is too low, you may have too much money tied up in fixed assets.

Owning your own store or factory building can be a source of pride, but it can also be a source of weakness in the balance sheet.

Getting a long-term loan on the security of some of your fixed assets (if possible) is one way of improving these ratios. The funds provided by the loan can be used either to reduce current liabilities by paying bills, or to increase current assets by adding to cash.

Any business with strong seasonal ups and downs will find these ratios strong at one time of year, weak at another. The trick is to prevent them from ever getting so weak that they lead to collapse.

Any business that's undergoing major growth will also have to weather periods of weakness in the financial ratios.

The point of watching the ratios is not to discourage the businessman from taking risks at all — taking risks is his job — but to show him the nature and extent of the risks he and his creditors are taking.

Here's How Leverage Works

John Smith has invested in his business	$100,000
On it, the business earns, per year	$6,000
That's a return on equity of	6%
He buys a new machine which he believes will triple his earnings.	
To pay for it, he takes out a mortgage of	$60,000
Cost of the mortgage per year (at 6% simple interest) is	$3,600
If he's right, and earnings do triple, they become	$18,000
Out of this he pays, in interest	$3,600
He has left, in earnings	$14,400
This is a return on equity of	14.4%
If he's wrong, and earnings don't rise, they remain	$6,000
He still has to pay, in interest	$3,600
He has left, in earnings	$2,400
This is a return on equity of only	2.4%
If for any reason, his earnings decline to	$3,000
He still has to pay	$3,600
And has a loss of	$600

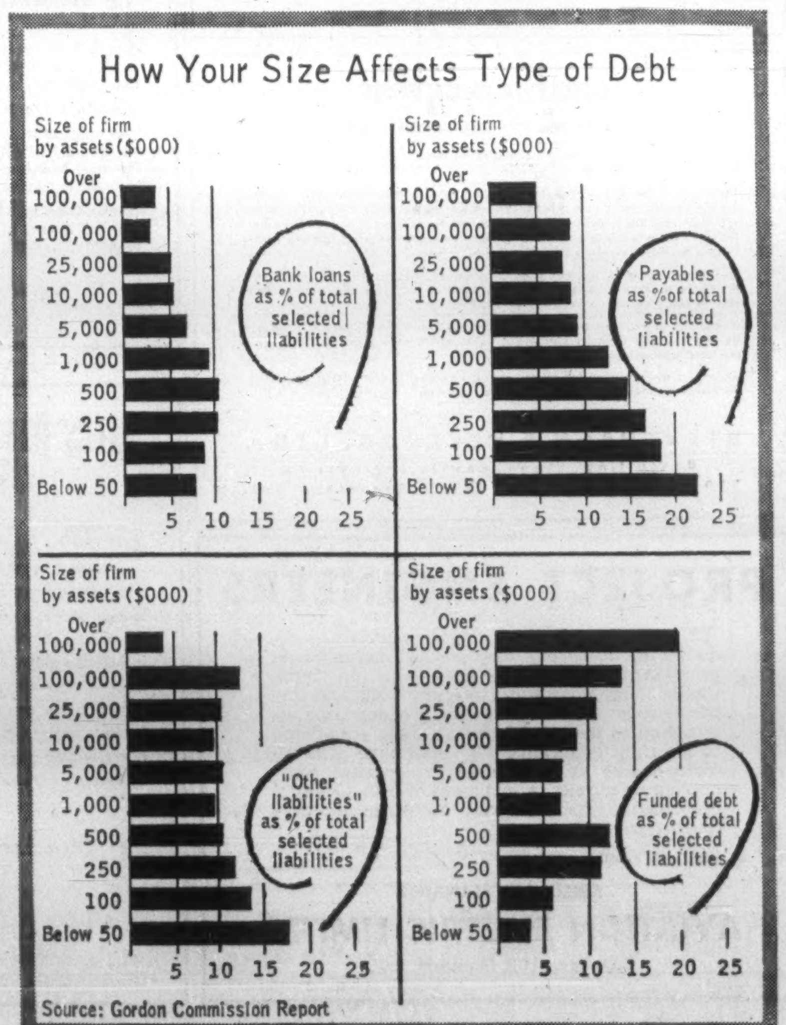
Taxes, depreciation, and the question of paying off the principal on the mortgage would further complicate the picture. So would the probability that interest on the mortgage would be more than 6% simple interest. But the principle remains the same.

Adding the borrowed money, at a fixed cost, to his risk money, gives him the leverage with which to pry a higher rate of return out of the business. The leverage works both ways. If he doesn't use the money profitably, his return on his investment drops sharply.

How Much Debt for Your Business?

	Retail Firms — 1956					
	Worth—Debt Ratio Premises		Current Ratio Premises		Liquidity Ratio Premises	
	Owned	Rented	Owned	Rented	Owned	Rented
INDEPENDENT						
Groceries	2.53	2.35	3.95	4.28	1.84	1.90
Combination Stores	3.75	1.85	3.03	2.94	1.50	1.50
Meat Markets	2.72	2.29	3.07	2.46	2.43	2.02
Fruit and Vegetable Stores	2.77	2.70	4.77	3.43	2.53	2.24
Confectionery Stores	2.25	2.16	2.62	3.14	1.41	1.49
General Stores	3.11	2.80	5.00	6.07	2.03	2.44
Restaurants	1.83	1.31	1.10	1.01	0.63	0.65
Fuel Dealers (Unincorporated)	1.64	1.69	2.29	2.53	1.79	1.93
Fuel Dealers (Incorporated)	1.02	0.60	1.15	1.48	1.46	1.16
Clothing Stores (Uninc.)						
Men's	2.00	1.60	3.46	2.99	1.39	0.95
Women's	1.69	1.16	2.95	2.71	1.08	1.08
Family	2.99	1.47	4.32	3.47	1.47	1.16
Shoe	2.28	1.82	3.60	3.53	0.70	0.85
Clothing Stores (Inc.)						
Men's	1.52	1.22	3.99	3.01	1.88	1.05
Women's	...	1.56	...	2.76	...	1.46
Family	1.79	1.33	4.29	2.82	1.48	1.18
Shoe	...	1.35	...	3.20	...	0.61
Hardware Stores (Uninc.)	3.12	2.25	5.01	4.25	1.88	1.24
Hardware Stores (Inc.)	2.05	1.41	4.99	4.44	1.98	1.34
Furniture Stores (Uninc.)	1.98	0.98	3.06	2.65	1.70	1.34
Furniture Stores (Inc.)	1.17	1.28	3.53	3.10	2.09	2.00
Appliances & TV (Uninc.)	1.55	1.32	2.43	2.46	1.36	1.17
Appliances & TV (Inc.)	...	0.95	...	2.36	...	1.40
Tobacco Stores	1.97	1.41	3.20	2.66	1.25	0.83
Jewelery Stores (Uninc.)	2.12	2.14	3.05	3.88	1.06	1.30
Jewelery Stores (Inc.)	...	1.55	...	2.98	...	1.12
Filling Stations, Garages	1.88	2.07	2.45	3.25	1.73	2.08
Drug Stores (Uninc.)	3.05	2.17	4.20	3.78	1.47	1.09
Drug Stores (Inc.)	2.27	2.15	4.04	3.50	1.51	1.18
	(Dollars of net worth per dollar of debt)		(Dollars of current assets per dollar of current liabilities.)		(Dollars of current assets [less inventory of merchandise] per dollar of current liabilities.)	

Source: DBS Operating Results and Financial Structure Series 1956 (latest).



Source: Gordon Commission Report

Definitions:

PAYABLES: Includes all accounts or bills payable received in the normal course of business, except taxes.

OTHER LIABILITIES: Includes deferred income, deposits on contracts, and loans received from officers or shareholders or affiliated companies.

FUNDED DEBT: Includes all bonds, debentures, notes, mortgages or other contractual obligations having a term greater than one year.

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SELECTED GROWTH STOCKS

This is an exclusive series on 26 Selected Growth Stocks chosen by one of the continent's most prominent and successful investment advisers. Each company will be reviewed here quarterly. This series does not constitute a recommendation to buy.

Moore Corp. Profit Gain 12% Second Quarter Margin Lower

• *'Favorable outlook' for rest of the year . . .*
• *Dominion Stores' sales still expanding . . .*

By NESTOR

MOORE CORP. consolidated net profit for the first six months of 1960 rose by 11.7% to $6,360,646 or 96c per common share, from $5,695,264 or 87c a share in January-June last year.

Net sales at $77,296,871 were 10.3% higher than the corresponding 1959 volume of $70,048,421.

The good results, Chairman W. N. McLeod and T. S. Duncanson told shareholders, reflect "the active business climate which prevailed".

They added, "While there are some signs that general business activity may be slightly lower for the next few months, **the company's outlook for the balance of the year continues to be favorable.**"

The six-month report, unaudited and subject to year-end adjustments, shows a profit margin of 8.2%. In the 1959 period, net profit equaled 8.1% of sales; in first-quarter 1960, 8.4%.

Sales for the second quarter of the current year amounted to $38,100,875, an increase of 5.4% over April-June, 1959. Net profit was $3,079,548 or 46c a share, up 1.6% from $3,031,391 or 46c a share a year earlier.

Profit margin in second-quarter 1960 was 8.1%, down from 8.4% in the same period last year.

Construction has recently begun on a new plant in Charleston, Ill. Plant is scheduled for completion early next year, at a cost of $1 million including equipment.

During the past decade, Moore Corp. has spent some $35 million on expansion, all by means of funds generated internally. In recent years, heavy demand for business forms has led the company to double its rate of expansion.

Highlights of the 1960 capital program are two new business form plants, in Pennsylvania and California, and doubling the floor space of an Alabama plant.

Policy is to plan the expansion program five years ahead, to balance the need for plant and equipment with projected sales growth.

At recent market price of $44¼, common stock is 77% above UV level ($25), could rise 13% before reaching OV level ($50). Price is 24.3 times 1959 earnings of $1.82 per share. Yield is 1.81% at indicated annual dividend rate of 80c (U.S.) per share. Price this year has ranged between a high of $49½, a low of $35½.

* * *

DOMINION STORES' sales continue to expand in the current fiscal year, although at a lower rate of increase than a year earlier, President T. G. McCormack told the annual meeting recently.

Sales in the year ended March 19, 1960, rose by 8.9% to $388.4 million, from $356.4 million in the year ended March 21, 1959. The year's sales were a record high.

Consolidated net profit amounted to $6,007,497 or $3.73 per common share. This was 10.8% lower than previous fiscal year's net of $6,733,558 or $4.18 a share.

All costs of doing business were substantially higher in the latest year. As a result, profit margin was reduced to 1.55% from 1.89%.

This trend is continuing, the president said, but company expects to minimize these inflationary factors by strict control and greater efficiency and productivity.

The second half of the 1959-60 fiscal year showed a 7.4% improvement in sales—$197 million vs. $183,350,000 a year earlier.

This was a slower rate of gain than in the first half, but it produced better earnings. Net profit rose to $3,290,244 or **$2.05 per share, up 4.5% from $3,147,719** or $1.96 a share in the comparable 1958-59 period, and $1.68 for the six months ended in September, 1959.

Profit margin for the half averaged 1.67%, down from 1.72% first half 1959, but up from the 1.42% in the April-September period of 1959.

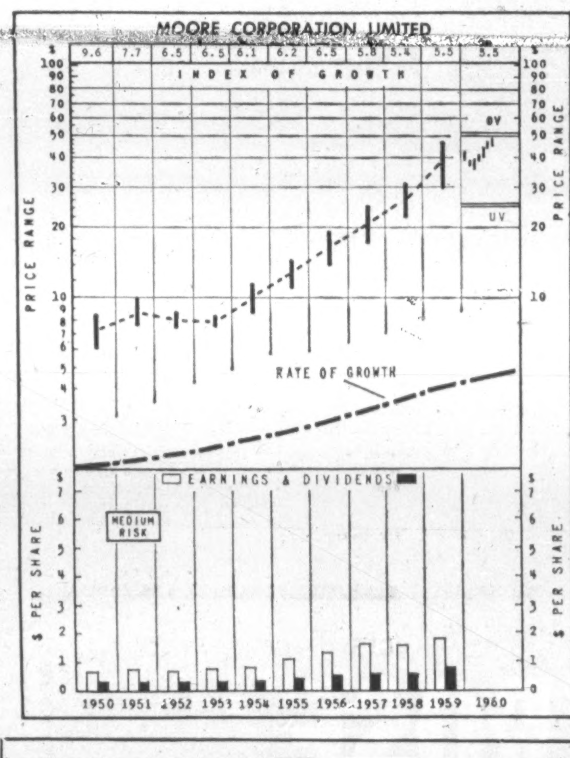
Profit figures for the first quarter of the current fiscal year are encouraging, the president said. "If we can look forward to a gradual improvement in general economic conditions, then the level of net earnings achieved last year may be fully maintained or perhaps improved moderately."

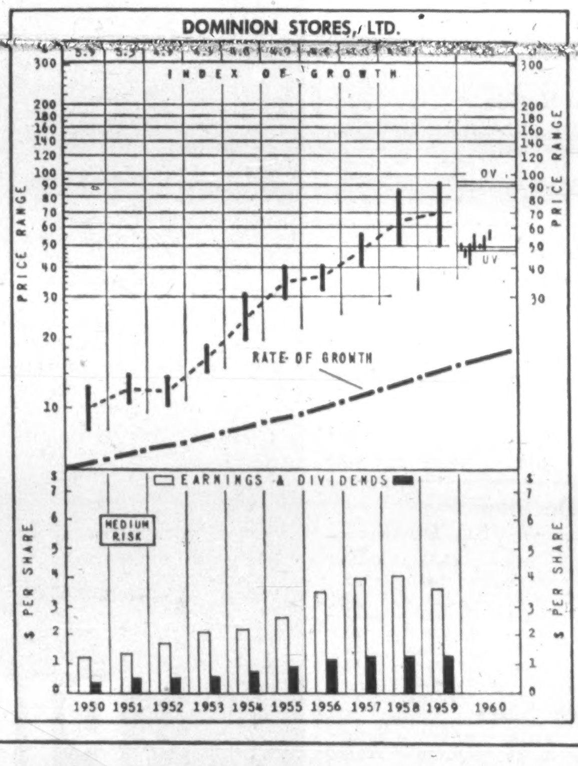
Dominion Stores is continuing its expansion program. Since the current fiscal year began March 20, nine new stores have been opened. In addition, company has bought two food outlets in Prince Edward Island from **R. T. Holman Ltd.**, a private company—the food department of a Holman department store in Summerside, and a Foodland store in Charlottetown.

It is planned to open a total of about 30 new stores throughout Canada in the current fiscal year. No new financing is contemplated for this purpose, although a public offering might be necessary if it were decided to take over any existing companies.

Dominion now has 351 stores in operation, after having closed some outlets this year. One of the most recent openings was a new store in downtown London, Ont., adjacent to the new Wellington Square development scheduled to open in mid-August. Parking is provided in a ramp-type garage adjoining the store.

At recent market price of $58¼, common stock is 16.5% above UV level ($50), could rise 54.5% before reaching OV level ($90). Price is 15.6 times 1959-60 earnings of $3.73 per share. Yield is 2.15% at indicated annual dividend rate of $1.25 per share. Price this year has ranged between a high of $59½, a low of $41.





How to Read Nestor's Special Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure at 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV or OV levels a current quotation of, say 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figures in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in special article in FP Jan. 10, 1953. A limited number of reprints are available on request.*

Royal Bank Promotions in New Staff Changes

J. J. FORTUNE, assistant manager, Toronto, to be inspector, head office, Toronto.

B. J. TREW, assistant manager, Sudbury, Ont., to be manager, Weston, Ont.

J. D. MIDDLETON, manager, Weston, Ont., to be manager, Queensway & Rosedale, Toronto.

E. H. K. EDWARD, manager, Hamilton Road & Rectory, London, Ont., to be manager, Dundas & Wellington, London, Ont.

E. J. RADIGAN, London, Ont., to be manager, Bruce Mines, Ont.

C. F. SPENCE, manager, Queensway & Rosemeade, Toronto, to be manager, 111 St. Clair Ave. West, Toronto.

D. L. MONCRIEF, assistant manager, Yonge & Bloor, Toronto, to be manager, Queensway & Kipling, Toronto.

W. N. KEATING, manager, Dundas & Wellington, London, Ont., to be manager, Niagara Falls, Ont.

I. A. F. MacDONALD, assistant manager, Windsor, Ont., to be manager, 150 Eglinton Ave. East, Toronto.

H. G. MERRIMAN, manager, Bruce Mines, Ont., to be manager, Shelburne, Ont.

A. G. CRAWFORD, accountant, Sussex, N.B., to be manager, Campbellford, Ont.

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J. W. SALTON, Supervisor's Dept., Halifax, to be assistant manager, Dartmouth, N.S.

K. A. CAMPBELL, assistant manager, Regina, Sask., to be assistant manager, Portage Ave., Winnipeg.

W. D. HENRY, manager, 150 Eglinton Ave. East, Toronto, to be assistant manager, Toronto, Ont.

J. D. SMITH, assistant accountant, Danforth & Layton, Scarborough, Ont., to be accountant, Kingsville, Ont.

D. E. POTTS, assistant accountant, Barton & Wentworth, Hamilton, Ont., to be accountant, Guelph Line & New St., Burlington, Ont.

E. J. FITZGERALD, accountant, Mountain Road, Moncton, N.B., to be accountant, Somerled & Cavendish, Montreal.

D. J. THOMSON, accountant, Roblin, Man., to be accountant, Flin Flon, Man.

D. L. GORE, assistant accountant, Quesnel, B.C., to be accountant, Terrace, B.C.

D. G. BETHUNE, assistant accountant, Rexdale, Ont., appointed accountant.

R. J. JOHNSTON, assistant accountant, Moose Jaw, Sask., to be accountant, Kerrobert, Sask.

V. H. HUNTER, accountant, Crescent Heights, Calgary, to be accountant, Red Deer, Alta.

W. L. LYSENG, accountant, Cardston, Alta., to be officer-in-charge, Bowness, West End, Alta.

W. A. CUMMINGS, assistant accountant, Moncton, N.B., to be accountant, Sussex, N.B.

W. G. LANGFORD, Calgary, to be accountant, 12739 Fort Road, Edmonton.

D. F. OATMAN, assistant accountant, Guelph, Ont., to be accountant, Orangeville, Ont.

D. W. WARD, Drayton Valley, Alta., to be accountant, Hinton, Alta.

W. MURRAY, Peterborough, Ont., to be accountant, Queensway & Kipling, Toronto.

E. J. KILLINGBACK, accountant, Orangeville, Ont., to be accountant, Waterloo, Ont.

W. GARGAS, assistant accountant, Innisfail, Alta., to be accountant, Cardston, Alta.

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Unlisted Mines and Oils

(By Brokers Dealers Assoc. of Ont.)

Approximate quotations, 3.30 p.m., July 29, subject to confirmation and change. An asterisk (*) indicates an increase in price, a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
Abbican	4	6	Clinger	2½	3½
Abela	3	4	Clix	1½	2½
Abino	15	18	Columbr	½	1½
Acon C	46	50	Comstock	3	5
do vts	43	48	Con Cop	9	10
Advance	3	4	Con Dur	17	20
Alexand	5	6	Cn Fred	10	15
Am Kk	1½	2½	Con Hrp	6½	8½
Anabar	1	3	Cordell	2	4
Anamaq	1	2	C Vauze	90	100
Anuwon	1	2	Crackst	3	5
Arctic	1	2	Craibee	23	25
Barima	11	13	Croydon	1	2½
Beacon	1½	3	Derlac	4	5
Belfast	3	5	Despina	5½	7
B Jk P	1½	3	Destrad	½	1½
B Gross	½	1½	Dom Ex	19	23
Bour C	2	3	Dunvegn	3½	4
Bracema	7	8	E Lun	1	2
Bramin	5	7	Echo In	½	1
Bright	1½	2½	Ego	6	8
Brilund	2½	3½	El Bonan	1	2
B McD	6	8	Evenlode	8	10
Bruce P	7	9	Exp All	4½	6
Brunnet	4	5	Farcroft	1	3
Camdeck	5	7	Forty F	50	60
Camlarn	2	3	Gan Cop	2½	3½
Camray	¾	1½	Gateway	3	4
C Rd C	9	12	Glenburk	4½	5½
C Al M	1½	2½	Glencona	½	1
Can Fer	90	100	Glen Ech	2	4
Caral	3	5	G Harker	6½	8
Cstlbar	5	8	G Label	½	1½
Cent Man	3	4	Goldmaq	2	3
Cent Hill	2	4	Goldyke	1	3
Chellew	1½	2½	Gov Gld	2	3

	Bid	Ask		Bid	Ask
Hallman	5	8	Parmlee	3	4
Hot Min	3	4	Pascalis	16	17
Hornflt	5½	6½	Pax Nw	9	15
Hubert L	4	6	Pelango	1	2
Hucamp	12	18	Penelope	30	45
Hud Un	3	5	Pickering	5	6
Independ	5½	6½	Picton	2	3
Ind Mt	8	12	Pn Pnt	925	975
Inmt C	12	14	Pitchvn	6	7
Jamaican	7	10	Prudent	5	8
Jean L	3	5	Quejo	2½	4
Jerome	1½	2½	Quest	1	2
KB Min	5	6	Raglan	6	8
Kamlac	9	11	Rand M	4	5
Kenog	5	6	Redcon	9	11
Kenda P	½	1½	Redruth	1	3
Lrndona	2	3	Redbark	½	1½
Laronge	1	2	Ryholite	½	1½
Larum	4½	6½	Richgrup	3	4
Lassie	8	10	R Tinto	65	75
L Expan	7	9	Rob RL	16	19
Lk Renz	3	4	Romar	—	2
Lunecho	27	28	Rugged	1½	2½
Magoma	3	4	Russet	3½	5
Main O	30	40	Salmit C	5	5½
Mal RL	3½	4	Sheldon	14	15
Manecho	2½	3	Shield	20	26
Marchnt	23	28	Siad Qu	68	73
Maree	¾	1½	Slate By	2	3
Mar Bird	3	4	Sn Drft	10	15
Mat Can	5½	6½	S Marysx	4	7
Mat Yel	4½	5½	Starlght	1½	2½
McCuaig	2½	3½	Sunbear	1	2
McFinley	4	5	Thorncrt	1	3
Miles RL	2	3	Tower	1	3
Mindus	170	185	Tresdor	6	7
Montco	1	3	U Ridge	5	7
Mirado	6½	8	Ungav C	2	4
M Keno	1	2	U Prin	190	200
Mrky F	10	15	Viking	13	15
Murmac	1½	2½	Wadge	5	8
Nasco	2	3	Watson	5	7
Nat Nw	42	45	Wesley	3	4
Nw Aug	2½	3½	Westfld	11	14
N Insco	4	6	West RL	2½	3½
Nw Met	4	5	W Wasa	5	6
N Redwd	2½	4	Y Davd	14½	16
N Walc	1	2	OILS		
Nicoba	2	3	BC Ol	1100	1300
Nickel L	1	2	do rts	550	700
Nipiron	8½	9½	C Delh	375	400
N Offset	4	5	GS Grs	11	13
Normar	1½	3	Harvest	25	28
Oceanic	20	30	N Surp	70	75
Oklend	3½	4½	O Smoky	½	1½
Orofino	10	11	Paige P	3	—
Pacemak	2	4	P Dover	15	20
Panther	20	30	Phoenix	24	30

Mutual Funds

	Divd. pd. cents▲	Bid	Ask.
All-Can. C. Fd.	15.128(30.563)	6.20	6.74
All-Can. Div. Fd.	12(32)	4.83	5.25
American Growth	7(18)	7.59	8.27
Assoc. Investors	17(33½)	7.52	7.60
Can. Invest. Fund	16(38)	8.21	9.01
Canafund	70(125)	32.92	34.57
Champion Mut. Fund	8(21)	5.17	5.68
C'wealth Inter.	24(29)	7.66	8.42
Corporate Inv.	16(42½)	...	...
Diversified Inc. B	11.2(10.8)	3.45	3.75
Dom. Equity	33(52)	14.25	14.53
Dom. Comp. Fund	16(38)	8.22	8.55
Do. nonres.	16(38)	8.28	8.61
Dominion Funds	16(38)	7.83	8.14
First Oil & Gas		3.12	3.42
Group Accum.		4.93	5.39
Grouped Inc.	10.45(23.7)	3.29	3.60
Growth Oil & Gas		5.97	6.27
Invest. Growth	(10.5)	5.56	6.02
Investors Mutual	26(33)	10.56	11.42
Leverage Fund	10(10)	6.07	6.67
Mut. Acc. F.	12.26(23.87)	6.75	7.38
Mutual Bond		6.15	6.44
Mutual Income	17.87(26.16)	4.40	4.81
North American	12(‡20)	7.87	8.55
Sav. & Inv. Mut.	9(18)	4.76	5.20
Sup'vised Amer.	6(12)	6.74	6.81
Sup'vised Executive (1955)		36.44	...
Sup'vised Executive (1956)		29.89	...
Sup'vised Executive (1957)		5.12	...
Sup'vised Executive (1958)		5.41	5.46
Sup'vised Gr'th Fund	(3.5)	1.51	1.53
Sup'vised Inc. Fund	8(17)	3.78	3.82
T.V. Electr's	12♦(95■)	...	...
Timed Invest.	13(25)	5.25	5.67
Trans-Can. A	55.8(95.2)	23.85	...
Do. B	44(91.1)	24.90	...
Do. C	8.2(18)	4.95	5.45
United Accum. Fund	16(24)	13.45	14.61

‡Including initial.

▲Paid or payable in 1960, total paid in 1959 in parentheses.

■Of which 62½ (U.S.) cap. gains dist. in 1959.

♦Of which 4c (U.S.) was paid following 2-for-1 stk. split.

ANNOUNCEMENT

HONEYWELL DIRECTOR

L. F. WILLS

The election of Leonard F. Wills, Vice-President and General Manager, to the board of directors of Honeywell Controls Limited is announced by W. H. Evans, President. Mr. Wills joined the company in 1932. He was appointed Manager of Manufacturing in 1948 and became Vice-President in 1958.

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ANNOUNCEMENT

TRAILMOBILE ANNOUNCEMENT

ROBT. M. SYER

The Board of Directors of Canadian Trailmobile Limited announce the election of Mr. Robt. M. Syer as President, Canadian Trailmobile Limited.

How Inflation Cuts Values

Canada ranks 10th in a list of 35 countries, arranged by **First National City Bank** of New York in order of their ability to maintain the purchasing power of their money since 1949.

Taking 1949 prices as the base, the bank's compilation shows that by 1954 the value of our currency had dropped to 86% and by 1959 to 79%.

Latest DBS consumer price index puts the value at 78.4% in June.

Among the sharpest drops in value of money during the past five years have been in Turkey (88% of 1949, to 45%), Brazil (51% to 19%) and Argentina (39% to 9%).

Ecuador, alone among the Latin American countries listed, prevented a drop in the value of its currency between 1954 and 1959.

Here are 1959 and 1954 indexes of money value, based on 1949:

Indexes of Value of Money (1949=100)	1959	1954
Portugal	95	103
Switzerland	90	94
Germany	88	99
Ecuador	86	85
Venezuela	85	92
Belgium	83	91
Pakistan	83	90
India	82	99
United States	82	89
Canada	79	86
Italy	76	84
Japan	75	78
Netherlands	70	79
South Africa	70	78
Denmark	68	82
United Kingdom	66	78
Sweden	65	78
Norway	62	71
New Zealand	61	72
Spain	55	82
France	54	69
Greece	54	63
Austria	53	59
Finland	53	69
Australia	52	61
Mexico	48	71
Peru	45	66
Colombia	45	67
Turkey	45	88
Uruguay	31	66
Brazil	19	51
Argentina	9	39
Paraguay	5	10
Chile	4	27
Bolivia	1	11

Source: First National City Bank Monthly Letter.

Dividend Changes

ASSOCIATED TELEPHONE & TELEGRAPH—Common, $4.50 (U. S. funds) payable Sept. 15 to holders of record Aug. 15. Total paid or payable to date in 1960, $8.50; total paid to same date in 1959, $6; total paid in 1959, $10.

IAC to Broaden Lending Powers?

MONTREAL (Staff) — At a special meeting Aug. 17, shareholders of **Industrial Acceptance Corp.** will be asked to approve increase in the number of directors to 15 from 13 and to approve a bylaw to widen scope of company's lending powers.

In a letter to shareholders, President J. H. Ranahan notes that subsidiary **Niagara Finance Co.** is licensed under the Small Loans Act.

However, from time to time in the conduct of ordinary business, particularly in the commercial and industrial fields, it is desirable for IAC to extend facilities through loans rather than the purchase of conditional sales agreements, he explains.

The new power sought by IAC would not only permit company to comply with this technicality but "may offer wider horizons in the development of additional business," Ranahan says.

Directors are being increased due to IAC's growth, he adds.

SILVER CLEANER

Hagerty Silver Foam for cleaning silver will be distributed in Canada through selected dealers by Heirloom Sterling, division of Oneida Ltd., Toronto.

Foreign Exchange Rates

Noon Value in Canada
Week Ended Aug. 2, 1960

	U. S. $	U. K. £
Wed.	.97 7/32	2.73
Thurs.	.97 10/32	2.73 5/16
Fri.	.97 18/32	2.74
Mon.	.97 14/32	2.73 12/16
Tues.	.97 9/32	2.73 5/16
Ave.	.97 58/160	2.73 38/80

U. S. Rate reported by Bank of Canada.

U. K. bid rate reported by Toronto-Dominion Bank.

Most Holders Accept Offer, Mexlight Directors Resign

The majority of common stockholders of **Mexican Light & Power Co.** are believed to have accepted the $20 a share offer made on behalf of **Central American Investment Trust** of Vaduz, Liechtenstein, last June 15.

Holders of preferred shares who were offered $13 a share, are said to have been more reluctant to sell.

The offer closed July 15.

At most 10% of Mexlight stock was held in Canada at the time of offering. U. S. holdings were estimated at over 30%.

Including the 40% interest it acquired from **Sofina (FP, June 25)**, Central American is believed to have acquired 75% of the common and 40% of the preferred stock.

A dividend of 25c per share has been declared on the preferreds, payable Oct. 1 to holders of record on Sept. 15, and covering the three-month period ended Aug. 1.

Dividend on common shares has not been declared, pending reconstitution of a new board of directors.

Fifteen of the 19-man board have resigned in order to give the new controlling interest freedom in reconstituting the board, it is announced.

Four management directors remain: Chairman Maxwell D. Taylor, president Gustave Maryssael, vice-presidents Juan Martinez and E. A. Grayson. Only Mr. Grayson is a Canadian.

Meantime, speculation continues to surround the future ownership prospects for Mexlight.

Central American is generally regarded as a vehicle for transfer of control to Mexico.

Mexico's ministry of finance has stated that the Mexican government has not concluded any purchase transaction. The statement failed to indicate, however, whether a purchase of Mexlight stock might be made in the future.

Both Mexican financial circles and sources close to Sofina say that the government is interested in acquiring the Sofina holding, but that it would prefer private Mexican interests to participate.

This may explain why a complete blackout continues to cover the transaction.

The Mexican government would like to see a controlling interest in the company held in Mexico.

For obvious financial reasons, it would prefer private interests to acquire the stock. Failing sufficient acquisition privately, the government would step in to purchase stock, but only as a last resort, **FP** understands.

MEET AT BANFF

Banff School of Fine Arts will be the site Sept. 14-17 of the 12th annual conference of the Institute of Public Administration in Canada.

Federal Pacific Buys Pioneer

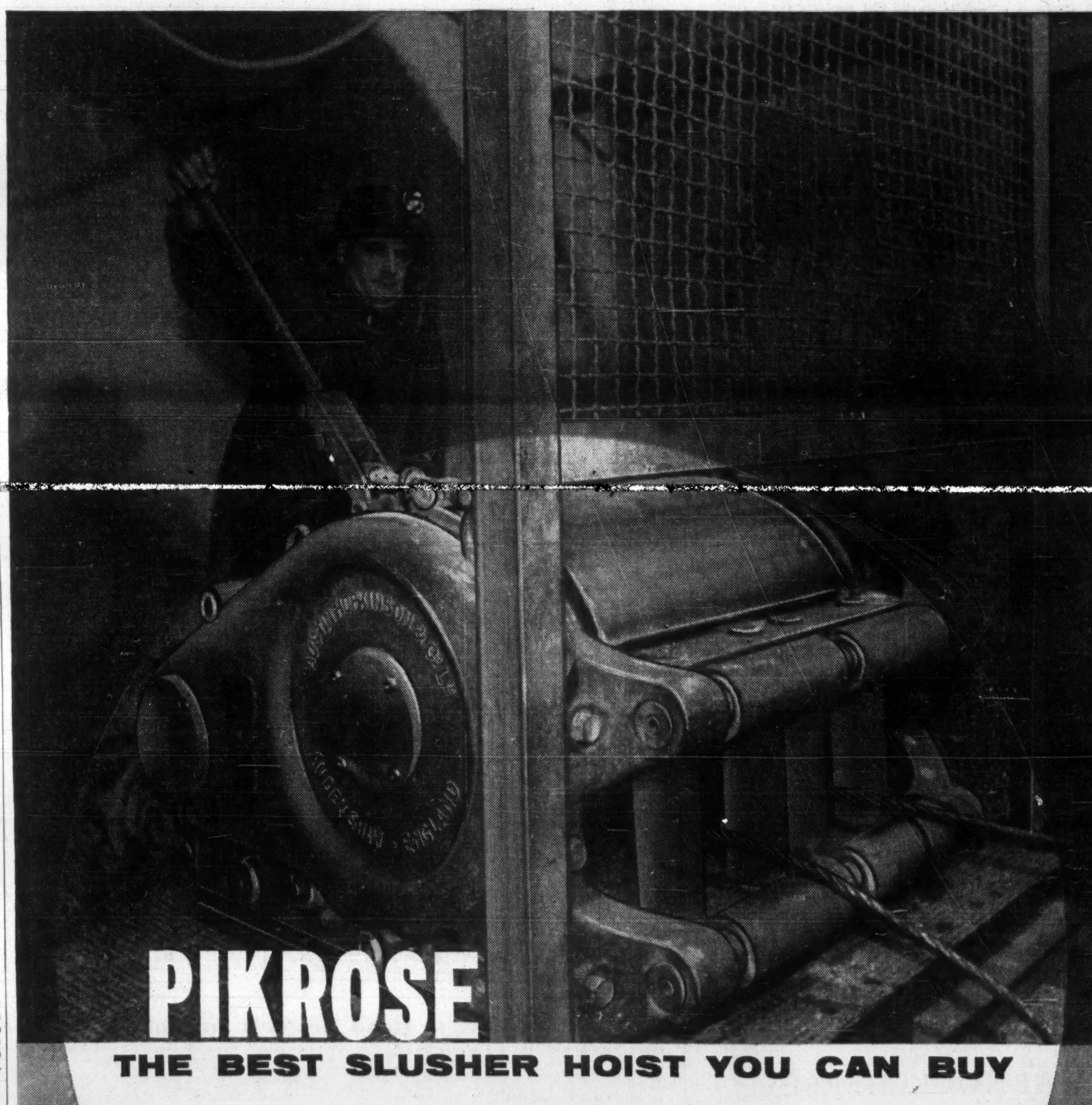
Federal Pacific Electric of Canada has purchased the **Pioneer Electric** group of companies, B. W. Ball, president of Federal Pacific, and R. Noonon, president of Pioneer Electric, Winnipeg, announced last week.

Pioneer Electric consists of five Canadian-owned and operated companies manufacturing a wide range of transformers, switchgear and control apparatus.

Federal Pacific makes electrical distribution equipment and fluorescent lighting products at three plants in Canada.

"Because of the complementary nature of the two product areas," says Ball, "the combination will provide a fully integrated Canadian line of electrical power distribution, and control products required for a complete service to utilities, industries, building trades and consulting engineers."

Manufacturing operations will continue at plants in Vancouver, Red Deer, Alta., Regina, Brandon, Man., Winnipeg, Toronto, and Granby, Que.



Price Earnings Ratios

RATIO OF MARKET VALUE TO EARNINGS OF THE 20 STOCKS COMPRISING THE TORONTO STOCK EXCHANGE AND INDUSTRIAL INDEX

EARNINGS PER SHARE	PRICE July 29	RATIO July 29	WEEK PREVIOUS	MONTH AGO	YEAR AGO
$53.47	$722.25	13.51	13.53	13.94	18.61

Average Yields

(COMPILED BY MOSS, LAWSON & CO.)

	AUG. 2 %	WEEK AGO %	MONTH PREVIOUS %	YEAR AGO %
114 Average Stock Yields ..	4.91	4.91	4.90	3.97
6 Banks	3.86	3.85	3.83	2.70
18 Preferred and "A" Stocks	5.16	5.13	5.25	4.74
64 Common Industrials	4.55	4.54	4.43	3.51
26 Mining	5.85	5.89	6.04	4.88

Advances and Declines

Week Ended	Toronto Ups	Toronto Downs	Toronto No Change	Montreal Ups	Montreal Downs	Montreal No Change
June 24	241	404	214	59	136	152
June 30	204	393	194	65	136	135
July 8	426	235	187	112	87	147
July 15	283	374	166	84	122	120
July 22	241	415	171	74	119	145
July 29	292	356	182	69	128	132

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	N.Y.S.E.	American
Aug. 1	156,900	HOLIDAY	HOLIDAY	41,088	2,440,000	740,000
July 29	273,400	1,595,000	14,850	63,584	2,730,000	840,000
July 28	265,100	1,493,000	36,640	45,735	3,020,000	870,000
July 27	182,300	1,421,000	31,100	79,216	2,560,000	810,000
July 26	223,600	1,880,000	44,950	45,972	2,720,000	780,000

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 9	Milling 2	Oils 5	Textiles and clothing 7	Food and allied prod. 13	Beverages 10	Bldg. mater. 14	Total Industrials 72	Banks 7	Total utilities 13	Total co's 92
1935 to date:												
High	947.5	1238.1	252.0	285.5	410.5	304.8	724.4	590.5	315.9	399.1	218.9	297.8
Low	68.5	51.6	59.7	40.9	77.7	72.4	79.3	68.7	56.1	68.4	64.5	60.6
1960 Monthly Figures:												
Jan.	741.9	1156.8	204.2	180.2	203.2	224.5	656.0	518.0	267.6	332.8	191.0	259.2
Feb.	713.0	1080.0	194.0	173.8	197.2	216.8	634.6	488.7	257.9	316.3	186.8	249.9
Mar.	671.4	1058.1	181.5	170.8	190.0	215.8	611.0	462.2	249.3	305.8	184.5	242.3
Apr.	682.2	1101.4	181.8	173.2	189.1	230.0	625.6	469.2	256.7	309.1	188.2	248.8
May	699.2	1124.7	184.8	168.0	190.9	224.5	632.5	466.7	257.4	308.8	188.1	249.2
1960 Weekly Figures:												
June 2	698.2	1172.3	191.4	166.2	194.4	227.3	645.5	469.7	261.0	314.9	190.2	252.7
June 9	702.1	1184.3	189.2	169.0	190.8	226.2	651.1	468.6	261.5	319.5	194.7	254.2
June 16	685.1	1150.5	192.7	163.1	188.1	227.5	643.3	453.3	257.7	322.7	191.3	251.0
June 23	683.7	1136.9	189.8	166.4	187.5	227.9	636.8	449.1	256.7	316.7	188.7	249.4
June 30	659.2	1139.2	189.9	162.2	186.5	231.3	640.0	438.3	254.6	314.5	188.1	247.5
July 7	658.6	1138.3	182.4	164.4	183.3	235.3	641.6	435.1	255.4	316.1	187.6	248.2
July 14	634.1	1120.6	183.7	162.4	181.8	235.6	646.2	430.0	251.9	308.3	188.5	245.1
July 21	634.4	1099.7	182.7	161.7	186.3	233.2	638.8	416.3	247.9	311.8	187.4	242.2
July 28	619.5	1088.3	181.1	159.0	182.9	230.4	629.1	411.2	243.9	309.8	185.7	238.7

*High and low for year from 1935 to date inclusive are based on weekly figures used by the Dominion Bureau of Statistics.

TORONTO STOCK EXCHANGE INDEX

	20 Indust.	20 Golds	15 B.M.	15 W.O.
Aug. 1	Hol.	Hol.	Hol.	Hol.
July 29	474.81	76.46	152.16	79.36
July 28	472.73	76.38	150.58	78.68
July 27	472.63	76.11	149.56	77.78
July 26	472.38	76.46	150.23	78.23
Month Ago	488.00	75.35	153.16	79.78
Year Ago	552.83	89.78	176.07	119.11
1960 High	533.85	90.20	176.74	106.78
1960 Low	471.44	74.88	149.56	77.78

MONTREAL STOCK EXCHANGE INDEX

	10 Util.	20 Indust.	30 Com.	10 Pprs.	15 Golds
Aug. 1	137.0	259.8	218.9	412.2	67.65
July 29	135.3	261.4	219.3	412.5	67.85
July 28	135.1	261.5	219.4	411.9	66.66
July 27	135.5	261.1	219.2	411.1	68.46
July 26	135.6	261.5	219.5	413.6	68.64
Mon. Ago	138.4	272.8	228.0	429.4	68.48
Year Ago	154.1	330.1	271.4	465.9	90.47
1960 High	145.1	330.2	271.6	466.7	85.85
1960 Low	135.1	259.8	218.9	409.3	66.66

DOW-JONES CLOSING STOCK AVERAGES

	30 Indust.	20 Rails	15 Util.	65 Stocks
Aug. 1	617.85	135.24	92.65	204.04
July 29	616.73	135.26	92.82	203.92
July 28	605.67	133.86	92.17	201.04
July 27	601.76	132.37	91.63	199.58
July 26	606.75	134.40	92.02	201.34
Month Ago	641.30	142.76	93.49	211.21
Year Ago	678.10	167.58	90.62	224.35
1960 High	685.47	160.43	94.87	222.62
1960 Low	599.10	132.37	85.02	198.00

DIVIDEND NOTICES

BANQUE CANADIENNE NATIONALE

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of four per cent (4%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August, 1960. This dividend, bearing number 278, will be payable at the Main Office or at the branches of the Bank, on or after the first day of September 1960, to shareholders of record on July 29, at the close of business.

By Order of the Board.

ULRIC ROBERGE,
General Manager.

DONOHUE BROTHERS LIMITED

NOTICE OF DIVIDEND

NOTICE is hereby given that a dividend of $0.15 per share has been declared on the outstanding ordinary shares of the Company.

The said dividend will be payable on September 1st, 1960 to shareholders of record as at the close of business on August 15th, 1960.

By Order of the Board.

PERCY AUGER, C.A.,
Secretary.

PHOTO ENGRAVERS & ELECTROTYPERS LIMITED

DIVIDEND NO. 71

NOTICE is hereby given that a Dividend of Forty Cents (40c) per share, on the outstanding no par value shares of the Company, has been declared payable on September 1, 1960, to shareholders of record at the close of business on August 15, 1960. The Transfer Books will not be closed.

By Order of the Board,

W. A. TURNER,
Secretary-Treasurer.

Toronto, Ontario, July 26, 1960.

YALE & TOWNE

290th Quarterly Dividend

37½¢ a Share

Payable: Oct. 1, 1960

Record date: Sept. 13, 1960

Declared: July 28, 1960

Elmer F. Franz
Vice President and Treasurer

THE YALE & TOWNE MFG. CO.
Lock and Hardware Products since 1868
Materials Handling Equipment since 1875
Cash dividends paid every year since 1899

HENRY MORGAN & CO. LIMITED

DIVIDEND NOTICE

The Board of Directors today declared the following dividends for the quarterly period ending August 31, 1960:

[illegible] STOCK — a dividend of $1.19 per share payable September 1, 1960, to shareholders of record at the close of business on August 5, 1960.

COMMON STOCK — a dividend of 25 cents per share, payable September 1, 1960, to shareholders of record at the close of business on August 5, 1960.

C. F. TOPP,
Secretary-Controller.

July 27, 1960.

OKANAGAN HELICOPTERS LIMITED

DIVIDEND NOTICE

Notice is hereby given that the quarterly dividend on the 6% cumulative, redeemable, convertible, preferred shares of the company will be paid on September 15, 1960, to shareholders of record at the close of business on August 12, 1960.

By Order of the Board,

Ian Kennedy,
Secretary.

August 1, 1960
Vancouver, B.C.

KELLY, DOUGLAS & COMPANY, LIMITED

VANCOUVER, B.C.

NOTICE IS HEREBY GIVEN that the Board of Directors has declared a dividend of 6¼¢ per share for the quarter ended August 31st, 1960 on all Cumulative Participating Class "A" Shares payable August 31st to the shareholders of record at close of business August 12th, 1960. Transfer books will not be closed.

By order of the Board

A. H. Pinkham, C.A.
Secretary-Treasurer.

Dated at Vancouver, B.C. this 29th day of July, 1960.

Market Bid and Ask Quotations

Montreal & Toronto Aug. 2, 1960

Stock	Bid	Ask	Stock	Bid	Ask
[illegible]					
xA Arc	27	29	xBrnsk	320	335
Atl A	15	16	xBufad	7	7½
Do 1 p	15½	19	xBuf A	175	180
xAtl CC	155	160	xBuf RL	5½	6
Atlas	20	20½	Bld Prd	31	32
xAt Yk	5	8	Bull A	5½	5¾
xAt-Ruf	7	8	xDo B	400	500
xAumac	6½	8	xBunk H	6	8
xAumaq	8	8½	Burlton	14½	15
xAunor	242	255	Burns	13	13½
Aut El N	8½	8½	Burr A	6½	6¾
Aut F A	7	8½	xCable	10	13
xDo B	250	300	xCdmet	9½	11
xBly SA	525	540	xCalalta	35	36
Do p	15	16½	Cal Ed	13⅞	13⅞
Do 5½	17½	17½	Cal Pow	20⅞	21½
xBanff	82	93	Do 5 p	100	100½
xBnkno	38	39	xCalv C	315	325
xBnkfld	8½	9½	xCalvert	38	40
Bk Mtl	51½	51½	xC Chib	625	635
Bk NS	58	58½	xDo w	252	264
Do Rts	400	410	C R L	12⅞	..
Ba Cdien	51½	52			

[illegible]

DIVIDEND NOTICES

TEXACO CANADA LIMITED

"PREFERRED STOCK DIVIDEND NO. 57"

NOTICE IS HEREBY GIVEN that a Dividend of $1.00 per share, being at the rate of 4 per cent per annum, has been declared on the 4% Cumulative Preferred Stock of Texaco Canada Limited for the quarter ending September 30, 1960, payable October 20, 1960, to shareholders of record at the close of business on September 30, 1960.

By Order of the Board

D. F. BENTLEY,
Secretary

CANADIAN WESTERN NATURAL GAS COMPANY LTD.

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of Twenty Cents (20c) per share on the Cumulative Redeemable Preference Shares 4% Series of the par value of $20.00 each of the Company will be paid on the 1st day of September, 1960 to all shareholders of record at the close of business on the 15th day of August, 1960.

Notice is also given that a quarterly dividend of Twenty-eight Cents (28c) per share on the Cumulative Redeemable Preference Shares 5½% Series of the par value of $20.00 each of the Company will be paid on the 1st day of September, 1960 to all shareholders of record at the close of business on the 15th day of August, 1960.

DATED at the City of Calgary, in the Province of Alberta, this 27th day of July, A.D. 1960.

By Order of the Board,

H. S. GREENWAY,
Secretary.

CANADIAN WESTERN NATURAL GAS COMPANY LTD.

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of Seventeen and One-Half Cents (17½c) per share on the Ordinary Shares of this Company will be paid on the 31st day of August, 1960 to all shareholders of record at the close of business on the 15th day of August, 1960.

DATED at the City of Calgary, in the Province of Alberta, this 27th day of July, A.D. 1960.

By Order of the Board.

H. S. GREENWAY,
Secretary.

National Distillers and Chemical Corporation

DIVIDEND NOTICE

The Board of Directors has declared a quarterly dividend of 30¢ per share on the outstanding Common Stock, payable on September 1, 1960, to stockholders of record on August 11, 1960. The transfer books will not close.

PAUL C. JAMESON
Treasurer

July 28, 1960.

Unlisted Industrials

(Compiled by McDonnell, Adams & Co. Ltd., Toronto.)

July 29, 1960

CORPORATIONS	Bid	Asked
Alexander Bldg.	16.00	....
Anglo Can. Tel. A	38.50	39.50
Border Chemical	4.75	5.00
Brinton Pete Carpet	40.00	50.00
B C Tel 4⅜% pfd.	82.00	....
Do 4½% pfd.	83.00	....
Do 4¾% pfd.	88.00	....
Do. 5¾% pfd.	101.50	....
Do 6% pfd.	102.50	....
Do 6¼% pfd	105.75	106.50
British Newfoundland	2.00	2.37
Calgary Power 4% pfd.	71.00	....
Cdn. Admiral Corp.	....	15.00
Cdn. Canners B	11.00	....
Cdn. Chemical Warr's	2.30	2.40
Cdn. Corp. Management	8.25	9.00
Cdn. Foreign Sec's	8.25	....
Capital Wire Cloth	20.00	....
Cawthra Apts	58.00	....
Commercial Finance	63.00	....
Concourse Bldg	140.00	160.00
Copp Clark 6% pfd.	80.00	84.00
Debentures & Secs pfd.	80.00	
Dollar Land Corp. units ($100, 7% deb. & 6 common)	162.00	166.00
Dom. Linseed Oil Units	3.25	....
Essex Packers pfd.	32.00	....
Do common	2.25	
Goderich Elevator	18.00	19.00
Granite Club	14.00	15.00
Gt. Britain Can. Inv. pfd.	85.00	88.00
Do com	16.50	17.50
Hart Battery (1957) Units	3.25	....
Hees, George $6 pfd	10.00	20.00
Hudson's Bay Co.	22.25	22.50
Humberstone Shoe	7.00	8.00
Ingersoll Machine 4% pfd.	80.00	...
Do B	3.00	3.50
Jenkins Bros	56.00	62.00
Lake Ont. Port. Cem. com.	1.25	1.75
Do pfd.	4.50	5.25
Do. wts.	.50	1.00
Lord Simcoe Hotel A	.50	.80
McCarthy Milling A	4.25	4.75
Meadowvale Development	2.90	3.20
Mindustrial Corp	1.65	1.80
Mutual Finance Corp. pfd.	75	....
Nova Scotia L. & P. 4% pfd.	71.00	....
Do. 4½% pfd.	80.00	....
Pacific Western Airlines	....	2.00
Park Lawn Cemetery	2.25	....
Pembroke Electric Light	105.00	....
Philips' Lamp	160.00	161.00
Phillips Electric	5.50	6.00
Prairie Royalty Trust	1.75	....
Rapid Grip 6% pfd.	98.50	99.50
Robin, Jones & Whitman pfd.	14.00	17.00
S.K.D Mfg 6% pfd.	9.25	10.00
Scott Misener S.S.	13.50	14.25
Standard Fuel 4½% Pfd.	34.00	36.00
Steelman Gas	1.50	2.00
Teleflex Ltd.	13.50	14.50
Thompson Paper pfd.	44.00	48.00
Tor. & London Inv's	1.75	2.25
Trans-Canada Freezers Warr's	1.00	....
Tor Medical Arts Bldg.	58.00	61.00
Triarch Corp.	112.00	115.00
Universal Cooler 6% pfd.	52.00	58.00
Do. B pfd.	2.00	2.75
Do com.	1.30	....
Waterloo Mfg.	8.00	8.50
Westcoast Transmission	12.25	12.75
INSURANCE COMPANIES		
British America Assce.	103.00	106.00
Cdn. General Insce.	500.00	....
Commercial Life 20% paid	32.50	....
Crown Life Ins.	192.00	197.00
Dom. Can. Gen. Ins.	42.00	46.00
Dom. Life Assce.	185.00	....
Excelsior Life	215.00	....
Great-West Life	328.00	338.00
Guar. Co. of N.A., fully pd.	90.00	100.00
Do 50% Paid	67.00	....
London Life Insurance	171.00	178.00
Manufacturers Life*	253.00	....
Do.†	250.00	....
Do.§	245.00	....
Do.■	240.00	....
Maritime Life	130.00	150.00
Monarch Life	46.00	55.00
National Life Assce.	60.00	62.00
Sovereign Life 25% pd.	175.00	185.00
Western Assurance	79.00	82.00
Western Life 25% paid	104.00	....
TRUST & LOAN COMPANIES		
British Mtge. & Trust	253.00	....
Eastern Trust	26.25	27.50
Halton & Peel Trust	12.25	13.00
Industrial Mtge. & Trust	109.00	....
Prudential Trust	22.00	26.00
Waterloo Trust	46.50	47.25

*Original pledged.
†Second pledged.
§Third pledged.
■Unpledged.

By Kippen & Co. Inc., Montreal

	Bid	Asked
Consolidated Theatres A	6.50	8.00
Do B	3.00	....
Dupuis Freres pfd.	14.50	....
Guarantee Co. of N. A.	90.00	105.00
Great Britain & Canada	15.50	17.50
Hart Battery Units	4.00	....
Hudson's Bay Co.	22.00	22.50
Maritime Tel. & Tel.	16.75	17.50
Mtl. City & Dist. Svgs. Bk.	54.00	56.00
New Brunswick Tel.	11.75	12.50
Ont. & Que R. 5% cap. Stk.	95.00	99.00
Prudential Trust Co.	20.00	....
Westcoast Transmission	12.00	12.50

Profits Here?

A regular listing of latest studies by investment firms.

DOMINION STORES—Hugh Mackay & Co., 235 St. James St. W., Montreal.
MOORE CORP.—Watt & Watt, 6 Jordan St., Toronto.

Canadian Stock Exchange

INDUSTRIAL

Stock	Bid	Ask	Stock	Bid	Ask
Ang-Sc n	..	8	Aug Expl	24	25
Atlas Tel	50	52	Bak Talc	9	11
Beld Cort	11½	12	Band-Ore	3½	..
Do p	10	13	B Pl Min	..	40
Belg Sts	7½	..	Barvallee	4	..
Do p	13½	..	Bateman	8	9
Blue Bonnets R'way	5½	7	Beatrice	3½	4½
Btfly Ho	225	..	Bel'chasse	22	25
C Floor B	12½	12½	Belle-Chib	3	5½
C Arena	160	..	Bornite	3½	4
C Int Inv	15	19½	Burnt Hill	10½	12½
Do p	77½	..	Calumet U	3	4
Cdn P&P	5	5½	Canalask	3½	4
C Silk A	25	..	Canuba	2	2½
Catelli A	39⅞	..	Carbec M	6	7
C Kod Ref	80	86	Cartier Q	9½	12
C'zano A	..	450	Cen Man	3	5
C Div A	60	110	Chem M	225	227
Do p	26	..	Chessmin	4	6
C Text. pf	11½	..	Chipman	4	4½
Crain RL	..	18	Cominga	4½	5
Dalfen's	75	80	C Monpas	5½	..
D & Fr A	44½	48	C Q Yell	4	5
Dom. Eng.	14½	15	C Vauze M	90	93
E Koot p	116	140	Dolsan	5½	6
Feralco I	..	75	Fab Metal	9	11
Freiman c	35	..	Fano	2½	4
Horner A	21	..	Fontana	..	3½
Hub Flt	9	..	Fdy Bay	3½	5
Do A	..	21	Gold Age	45	48
I Paints p	15	..	Gui-Por U	5	7
Inv Found	37½	40	Haitian	4	4½
Do p	50	50½	H'crest C	450	500
L'bert A	12½	13½	I Ceramic	10	14
Do B	13	..	I Uranium	37	43
Latonia I	23½	24½	Kontiki L	5	6
Lochaber	150	..	Lingside C	2½	3
Melchers	..	7½	Lithium	20	25
Do. p	13½	..	Massval	11	13
Mtl Ref A	17	20	Mid-Chib	17	18
Do B	18	24	Mogador	6½	..
M Ro Dry	6½	6½	Monpre	8	..
M Ro Rice	..	20½	N Formaq	5	6
Mussens	7½	9	N Jack L	3	4
			N S'Tiag	2	2½
[illegible]			[illegible]		

Grain Prices

Winnipeg Futures

Week to July 29, 1960

Crop year from Aug. 1, 1959 High	Low		High for Week	Low for Week	Close July 29
		Oats—			
85⅝	.71⅞	July	.85½	.83½	.84½
.80⅞	.75½	Oct.	.80⅞	.80⅞	.80⅞
78⅞	.76¼	Dec.	.78⅞	.77⅞	.78½
79½	.77	May	.79½	.78⅞	.79½
		Barley—			
1.01½	.95⅞	July	1.00⅞	1.00½	1.00⅞
1.01	.95⅞	Oct.	1.00⅞	.99½	1.00½
1.00	.95⅞	Dec.	.98⅞	.97	.98
1.00¼	96	May	1.00¼	.98⅞	1.00¼
		Rye—			
1.25⅞	1.01⅞	July	1.06½	1.03½	1.03½
1.14¼	1.01⅞	Oct.	1.05	1.02¼	1.02¼
1.13½	1.02⅞	Dec.	1.05½	1.03¼	1.03¼
1.08¼	1.04	May	1.08¼	1.07⅞	1.08¼
		Flax—			
3.90	2.97	July	3.38⅞	3.16½	3.29½
3.30½	2.86	Oct.	3.30¼	2.08½	3.23
3.19	2.80¼	Dec.	3.19	3.06⅞	3.11⅞
3.19¼	2.83⅞	May	3.19¼	2.99¼	3.13¼

Chicago Futures

Week to July 29, 1960

Crop year from Aug. 1, 1959 High	Low		High for Week	Low for Week	Close July 29
		Wheat—			
1.89½	1.82⅞	Sept.	1.84⅞	1.83½	1.84
1.94¼	1.85⅞	Dec.	1.90½	1.85⅞	1.90¼
2.06⅞	1.94¼	Mar.	1.95⅞	1.94¼	1.94⅞
1.96⅞	1.93⅞	May	1.95	1.94¼	1.94¼
		Corn—			
1.20⅞	1.14⅞	Sept.	1.16⅞	1.16	1.16½
1.14⅞	1.09½	Dec.	1.12⅞	1.11⅞	1.11⅞
1.18½	1.14¼	Mar.	1.16⅞	1.15⅞	1.16
1.20	1.17½	May	1.18⅞	1.17⅞	1.18
		Oats—			
.73¼	.63⅞	Sept.	.69½	.67¼	.67¼
.76½	.66½	Dec.	.72¼	.71	.71
.77⅞	.72⅞	Mar.	.74	.72⅞	.73¼
.76⅞	.72¼	May	.73½	.72¼	.73
		Rye—			
1.28⅞	1.15⅞	Sept.	1.16⅞	1.15½	1.15½
1.28¼	1.20	Dec.	1.29½	1.20	1.20
1.29	1.23¼	Mar.	1.24⅞	1.23¼	1.23¼
1.28½	1.23⅞	May	1.24⅞	1.23⅞	1.24¼
		Soybean—			
		Sept.	2.17⅞	2.14¼	2.16⅞
		Nov	2.16⅞	2.13⅞	2.15⅞
		Jan.	2.20⅞	2.17⅞	2.19⅞
		Mar.	2.23⅞	2.21	2.23⅞
		May	2.26½	2.23½	2.25⅞

Winnipeg Cash

	High For Week July 29	Low For Week July 29	High Prev. Week	Low Prev. Week
Oats—				
2 C. W.	.86½	.83½	.86⅞	.85½
3 C W.	.82½	.80¼	.82⅞	.81½
Barley—				
1 Feed	.96⅞	.96½	.96⅞	.96½
2 Feed	.95⅞	.95½	.95⅞	.95⅞
1 Malt	1.05⅞	1.05½	1.05⅞	1.05½
Rye—				
1 C. W.	1.06½	1.02½	1.05½	1.02⅞
2 C. W.	1.06½	1.02½	1.05½	1.02⅞

Chicago Cash

	High For Week July 29	Low For Week July 29	High Prev. Week	Low Prev. Week
Corn—				
2 Yell.	1.20⅞	1.20	1.21½	1.21½
Oats—				
1 H. W.	.71⅞	.70½	.71½	.71½

Government Bonds

August 2, 1960 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Asked
Govt. of Canada Bonds:			
3	Perpetual	67½	68½
2¾	June 1967/68.	87⅞	88⅞
3¾	Jan. 1975/78.	84	85
3¾	Mar. 1996/98.	80½	81½
3	Dec. 1960	100	100¼
3	May 1961	99⅞	100
3¼	May 1970	90½	91½
3¼	Oct. 1979	79½	80½
3	Dec. 1961	99	99¼
3¾	Sept. 1965	95	96
4½	Sept. 1972	91	92
4½	Sept. 1983	90½	91½
4	Jan. 1963	99⅞	99⅞
5½	Oct. 1960	100¼	100⅞
5½	Oct. 1962	103⅞	103⅞
3¼	June 1974/76.	80⅞	81⅞
5½	Apr. 1963	103½	103⅞
5½	Apr. 1969	101⅞	102⅞
5½	Oct. 1975	101½	102½
Cdn. Nat. Railways:			
3	Jan. 1961/66.	91⅞	92⅞
2¾	Feb. 1961/63.	96⅞	97
2¾	Jan. 1964/67.	89⅞	90⅞
3¾	Feb. 1972/74.	86	87
4	Feb. 1981	84½	85½
5½	Dec. 1964	102	103
5½	Jan. 1985	105	106
Int. Bank of Reconstruct. & Development			
3½	Apr. 1965	91½	93
3½	June 1969	87½	89
C'wealth of Australia:			
4	Nov. 1970	85½	87½
Prov. Govt. Bonds			
Alberta Tel. Gtd.:			
4½	July 1976/78.	87	89
British Columbia:			
3	June 1964	92	93½
Pac. Gt. East. Rly. Gtd.:			
4¾	Dec 1987	85½	87½
Ontario Hydro:			
4½	Nov. 1964/67	95	96
5	Apr. 1974/77.	95⅞	97
5½	July 1978/80.	99½	100½
5½	July 1970	99⅞	100½
Quebec:			
5½	Aug. 1979/81.	99½	100½
New Brunswick:			
4½	Oct. 1968/71.	91½	93
5	Oct 1974/77.	93⅞	95½
Ontario			
4½	Dec 1962/63.	98½	99½
3	Nov. 1963/65.	92	93
5	Jan. 1977/79.	95½	97
5½	May 1970	101½	102½
5½	May 1978/80.	99⅞	100⅞
Man. Hydro:			
5	July 1975/77.	93½	94½
Manitoba:			
5½	June 1976/79.	98½	99½
Nova Scotia:			
4¾	Dec. 1975/77.	91⅞	93
5½	July 1978/80.	98½	99½
Quebec Hydro Commission:			
5½	June 1979/82.	99½	100½
Saskatchewan:			
4½	Nov. 1974/76.	87⅞	89½
5½	July 1978/80.	98½	99½
Newfoundland:			
4¾	July 1962/64.	95	97
5½	Feb. 1977/79.	90	92½

New Highs and Lows

In the week ended July 30, there were 25 new highs and 66 new lows among general stocks listed on Canadian stock exchanges. In the mining group there were four new highs and 47 new lows. Western oils had one new high, 25 new lows.

GENERAL

NEW HIGHS — 1960

Acadia Atlan. 5% pref.
Albt. Gas Tr. 6¼% 'A' pf.
Boyles Bros. 'B'
Can. Safeway pref.
Can. Steamship pref.
Cdn. Bakeries
Cdn. Wallpaper 'A'
Consumers Gas 'A' pfd.
Dom. Scot. Inv. pfd.
Dom. Textile pfd.
Howard Smith pfd.
Indust. Accept. 5½% pfd. $2.25 par
Do. 4½ pf.
Jam. Pub. Ser. pref.
Loblaw Groc. 1st pfd. 'B'
Molson Brew. pfd.
North Star Oil pfd.
Northern Que. Pwr. pfd.
Northland
Ont. Beauty S. pfd.
Ont. Steel pref.
Pembina Pipe 5% pref.
Ruby Foo's Ent.
Shawinigan 4% pfd. 'A'
Do. 4½% pfd. 'B'

[illegible]

Algoma Steel
Aluminium
Atlas Steels
Beatty Bros.
Beaver Lumber
B.C. Forest
Can. Cement
Can. Foils
Can. Steamships
Cdn. Brit. Al. 'A'
Do. warr. 'B'
Cdn. Bronze
Cdn. Curtiss W.
Cdn. Gen. Inv.
Cdn. Indust.
Cdn. Int. Pwr.
Cdn. Marconi
Cdn. Petrofina pfd.
Can. Texas 'A'
B. J. Coghlin
Copp Clark
Corby's 'B' N. vot.
Chrysler Corp.
Crain, R. L.
Crown Zeller.
Dom. Tar & Chem.
Du Pont of Can.
Economic Inv.
Ford Motors (U.S.)
Gen. Develop.
Gen. Motors
Goodyear Tires
Gordon Mackay 'A'
Greening Wire
Holden Mfg. 'B'
Gt. North Gas warr.
H. Smith Pap.
Intern. Paper
Interp. Bld. Cr.
Interp. Steel
Kelvinator
Macm. B. & P. R.
Montreal Locom.
Nat. Hosiery 'B'
Nat. Steel Car
North Tele.
Office Spec.
Page-Hersey
Prem. Iron Ore
Quebec Nat. Gas
Do. warr.
Do. units
Reichhold
P. L. Robertson
Sangamo
Shawinigan
Southam
Stan. St. Steel
Stan. Wire & Cable
Steel of Can.
Switson Ind.
Thorncliffe
Trans Mt. Oil
United Steel
Westminster Pap.
Zellers 4½% pfd.

MINING

NEW HIGHS — 1960

Bankeno
Camp. Chib. warr.
Coniaurum
Stanleigh

NEW LOWS — 1960

Ad Astra
Amer. Neph.
Anacon
Assoc. Arcadia
Atlin-Ruffner.
Belcher
Bethlehem
Bibis Yukon
Broulan
Cdn. Malartic
Canam
Canorama
Central Patricia
Chimo
Cons. Northland
D'Aragon
Fano
Frobisher
Gaspe
Harrison
Hasaga
Hollinger
Kilembe Cop. warr.
Kopan
Lake Wasa
Madsen Red Lake
Maritimes
Mattagami
McIntyre
McWatters
Merrill
Moneta
Nickel Rim.
North Goldcrest
Nova Beaucage
Ormsby
Paramaque
Pend Oreille
Que. Lithium
Que. Manitou
Silver Ridge
Siscoe
Steep Rock
Tache Lake
Territory
Torwest
Zenmac

OILS

NEW HIGHS — 1960

Parker Drill.

NEW LOWS — 1960

Calvert
Cdn. High Crest
Cdn. Husky
Cons. Dragon
Cons. W. Pet.
Devon Palmer
Dome Pete
Dynalta
Fort St. John
[illegible]
Hudson's Bay Oil
Long Pt. Gas
Mayfair
National Pet.
Prairie
Rocky Pete
Sapphire
South West Pete
Stanwell
Submarine
Titan
Un. Canso v.t.
[illegible] warr.
West Warner
Y'ke. Cdn.

Toronto Curb

Stock	Bid	Ask	Stock	Bid	Ask
Andian	6½	7⅞	Du Pont	20	20½
A C	35½	40	Do p	77	..
Ang-N	6	6½	Gaspe	18	20
Asbest	22½	23	Hayes	22⅞	23
B A B	50	51	I Pap	96⅞	97⅞
xBulolo	475	480	Lob I n	10½	11
CD Sug	16⅞	16⅞	M Lrn	75	80⅞
C Ving	32½	35½	MO Pap	28½	29
C Brnze	20	20½	Ogilv	40⅞	41
Do p	79⅞	..	Do p	126⅞	146⅞
CG Inv	28½	29	xPend O	235	245
C Ing	39½	41	Price	38½	38⅞
C Marc	485	500	Sngmo	10	12½
C Pap	39	39⅞	xSW P	145	155
xDalh	13½	14½	Th CG I	6½	6½
de Hav	180	240	xYuk C	58	59
D Glass	67	70	Zellrs	36	36⅞
Do p	13⅞	13⅞	(xToronto Gold)	33.85	34.45
DOC	30	42⅞			

x—Quoted in cents

Calgary Oils

Quoted in Cents

Stock	Bid	Ask	Stock	Bid	Ask
Albedena	2	5	Merland	9	11
Ald-Leduc	1	3	Mill Creek	5½	6½
Amalta	2½	3½	Mollusca	2	5
Anaconda	..	45	N Richfield	2½	3½
Bashaw L	1	1⅞	N Y Oil	4	7
Bl Crown	20	23	N Cont'tal	½	1
C Fortune	1⅞	2½	Nuco Pet	3½	5
Castle	12	14	Pamoil	26	..
Claybar U	15	17	R'chmen's	6	9
Command	55	85	Ranger	100	..
Com. Min.	8	9	Renfrew	4	5
D L'holds	140	150	R C Vent	10	14
Dom. Min.	½	1	Sage	73	75
Dyn. Pet.	34	..	Sarcee	65	..
E Can. Gas	2	5	Sastex	1	3⅞
Edoran	2½	3	Share	2½	..
Gold Sat	3½	..	Silver City	2½	3
Gold Spike	4	5	Siscalta	35	55
Ind Chem	..	40	Sturgeon	4½	5
Kenare	1½	..	Transfield	1	2
Keno	17	19	Tri-Zone	1	4
Leamac	4	5	Tur Valley	..	20
Leduc Cal	5	5½	W Warner	4½	5
Merit	37	39			

Municipal Bonds

Aug. 2, 1960

			Bid	Ask.	%
Halifax	4¼	'71	87¼	89¼	5.80
Hamilton	6	'78	101½	103½	5.70
Metro, Tor.	5¾	'80	99½	101½	5.62
Montreal	6	'79	99½	101½	5.87
Ottawa	5¼	'79	98½	100½	5.46
Regina	5¾	'82	95	97	6.00
Vancouver	6	'80	99½	101½	5.87
Winnipeg	5¼	'77	93¾	95¾	5.65

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 2, 1960

	Bid	Ask
Abitibi P. & P., 6½s, 1977	101½	104½
Alta. Gas Tr. Line Co. Ltd., 5½, 1981	92½	95½
Algoma C. & H. B. Rly., 5⅞ March 1, 1979	97½	100½
Algoma Stl. Corp. Ltd., 5½, 1978	94½	97½
Alum. Co. of Can., 4½s, 1973	91	94
Bathurst P. & P., 5½, 1973	94½	97½
Bell Telephone, 5½, July 2, 1980	96½	98½
Bicroft Uranium, 5s, 1962	97	99
Bowater Pow. Co. Ltd., 3½s, 1980	79½	..
Brazilian Trac. L. & P., 4½, '70	79½	83½
British American Oil, 5½, 1977	94½	..
B. C. Electric, 5½, 1988	92	94
B. C. Tel., 5½, Nov. 1, 1983	93	..
Canada Cement, 5½s, 1976	94½	98½
Cdn. Breweries, 5s, 1983	91	..
Cdn. Br. Alum. Co. Ltd., 5½s, '80	95	98
Cdn. Chemical, 5½s, 1971	93	..
Cdn. Industries Ltd., 5⅞, 1977	98½	101½
Cdn. Oil Cos., 4s, 1976	84½	87½
C. P. R., 3½, Oct. 1, 1966	90½	92½
C. P. R., 5s, 1983	91½	93½
Cdn. West. Nat. Gas Co. Ltd., 5⅞s, 1983	93½	96½
Cock. Farm Equip., 4½s, 1965	89	..
Columbia Cellulose, 5s, 1968	93	95½
Cons. Denison, 5s, 1962	97½	99
Consumers Gas Co., 5s, 1978	92½	95½
Dominion Stores, 5½s, 1976	97	..
Dom. Tar & Chem. Co. Ltd., 5½s, 1978	92½	95½
Dryden Pap. Co., 4⅞s, 1974	85½	88½
T. Eaton Accept., 4⅞s, 1974	87½	90½
T. Eaton Realty Co. Ltd., 5s, '78	92½	95½
Eddy E. B. Co., 4s, 1974	..	..
Gen. Motors Accept., 6½s, 1977	101½	104½
Great Lakes Paper, 5s, 1976	92½	95½
Great Lakes Power, 4½s, 1975	83½	86½
Gtr. Wpg. G., 5½s, Dec. 1, 1980	87½	90½
Do, 5⅞, Dec. 1, 1978	94½	..
Gunnar Mines, 5s, 1960	99	..
Hud. Bay. O. & G., 4s, 1975	82	84½
Husky O. & Ref. Ltd., 5½s, 1973	85½	89½
Imperial Oil Ltd., 3s, 1969	84½	87½
Industrial Accept., 5½s, 1978	94½	..
Inland Natural Gas, 6s, 1982	..	..
J. Labatt Ltd., 5½s, Jan. 2, 1979	95½	..
Loblaw Groceterias, 6s, 1977	100	102½
Lorado Uran., 6, 62	99½	100½
MacMillan & Bloedel, 5⅞s, 1978	95½	98½
Massey Harris, 4½s, 1976	84½	87½
North Star Oil, 5⅞s, 1977	95½	97½
N. Ont. N. Gas, 5⅞s, 1982	89½	92½
Nwest. Util. Ltd., 5½s, 1983	93½	96½
O. Nat. Gas St. & Pipe, 5½s, '78	93½	96½
P. Petrol. 5½, Apr. 1, 73, Ex Wts	77½	80½
Phillips Electrical, 5s, 1973	87½	..
Que. Nat. Gas, 5⅞s, 1985	74½	77½
Regent Refining, 4½s, 1975	83½	..
St. Lawrence Corp., 5s, 1978	..	..
Shawinigan W. & P., 4⅞s, 1976	90½	93½
Simpsons, Ltd., 4⅞s, 1973	92	94½
Stanleigh Uran., 5½s, 1962	95½	97½
Toronto Star Ltd., 5½s, 1978	96	99
Tr.-Can. Pipe Lines, 5.85s, 1987	90	92
Trad. Fin. Corp., 5⅞s, Oct. 15, '74	96½	..
Un. Gas Co. of Can., 5s, 1977	93	96
Westcoast Trans., 5½s, 1988	84½	87½
Weston, Geo., 4⅞s, 1971	91½	94½
Convertible Issues		
Abitibi P. & P., 4½s, 1966	98½	101½
Atlas Steels Ltd., 5s, 1967	96½	101
Braz. Tr. L. & P., 4½s, 1971	74½	77½
B. C. Electric, 6/84	105	106½
Camp. Chib. 6, Nov. 1, '68	107½	111½
Cdn. Delhi Oil, 5½s, 1973	79½	82½
Can. Pac. Rly., 4s, 1969	89½	90⅞
Cdn. Utilities Ltd., 5⅞s, 1977	104½	..
Cock. Farm Equip., 5s, 1968	88½	..
Greyhound Lines, 5½s, 1978	98½	101
Home Oils, 5⅞s, 1971	87½	90½
Loblaw Groceterias, 4⅞s, 1976	118½	123½
Phillips Electrical, 5½s, 1970	88½	91½
Shawinigan, 5½s, 1972	106½	109½
Silverwd. Dairies Ltd., 5½s, 1972	96½	..
Simpsons Ltd., 5½, Sept. 15, 1979	105⅞	..
Trans Empire Oils, 5½s, 1967	95	..
Do 5s, 1966	95	..
Triad Oils, 4⅞s, 1971	78½	81½
Westcoast Trans., 5½s, 1988	84½	87½

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$23.50	$23.50	$25.50
Hogs	26.15	25.87	24.25
Copper, lb.	.33	.33	.30
Coffee, lb.	.36	.36	.36½
Sugar, raw, lb.	.06	.0615	.0582
Hides	.11	.11½	.29½

Weekly Commodity Indices

Dow Jones Fut.♦	144.10	144.60	150.21
U. S. Labor	119.6	■119.7	119.3

Monthly Price Indices

	Latest month	Previous month	Same month last yr.
Retail C.P.I.* (June)	127.6	127.4	125.9
Canada (D.B.S.):			
W'sale (May)	231.3	231.3	231.2
C. F'm Pr.* (May)	220.0	218.3	218.8
U. S. W'sale (Mar.)	120.0	■119.3	119.6
Gr. Br. W'sale♦ (Mar.)	111.9	111.8	111.9

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto. Copper-electrotypes, New York. Coffee No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f.

[illegible]
♦Base years 1924-26=100.
♦Base year 1954=100.
■Revised.

McCabe Grain Company Limited

WINNIPEG, CANADA

LONDON, ENGLAND VANCOUVER

FEDERAL GRAIN LIMITED

AND

THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.

WINNIPEG CALGARY

Country Elevators located in all Prairie Provinces, and Terminals at Fort William, Port Arthur and Vancouver. Cereal and Forage Seed Plant at Winnipeg.

We invite your inquiries regarding feed and seedgrain.

N. M. PATERSON & SONS LIMITED

FORT WILLIAM WINNIPEG MONTREAL

GRAIN DIVISION
Grain and Coal Merchants
Country and Terminal Elevators

STEAMSHIP DIVISION
Carriers of All Bulk Cargoes

K. A. POWELL (CANADA) LTD.

GRAIN SHIPPERS AND EXPORTERS

GRAIN FUTURES

Owners and Operators
Fort William Terminal Elevator Co. Ltd. and Powell Transports Ltd.

Head Office—563 Grain Exchange, Winnipeg, Man.
Affiliated Companies—Fort William, Ont., Montreal, Que., Vancouver, B.C.

THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks ncluding curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 27

Industrial Stocks

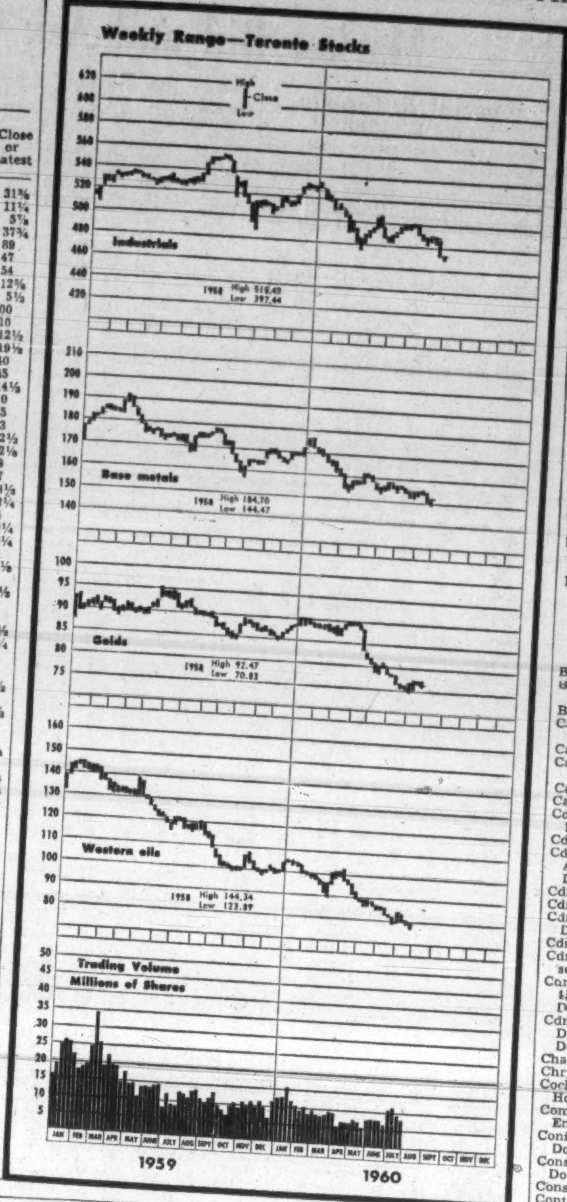
WEEK ENDING JULY 29, 1960

Range 1960 High	Low	Div. R'te $	Y'ld Jly29 %	Company	Sales	Last July 22	Week end. July 29 High	Low	Close or Latest
41¾	33	1.70	4.4	Abitibi	10991	38⅛	39¼	38⅛	38¾
25	21¾	1.12½	4.7	Do. 4½% pref.	230	24¼	24	24	24
11	9¼	.60	6.0	Acadia Atlan.	905	10½	10	10	10
88½	85	5.00	5.6	Do. 5% pref.	25	88	88½	88½	88½
19½	17¾	1.20	6.3	Do. A	338	19	19⅝	19⅛	19⅛
21	17½	.70	3.9	Admiral	nil	..	B15½	A15⅝	17¾
.75	.70	..	..	Agnew Surp.	nil	..	B18⅛	A18½	18
6½	6	..	..	Alaska Y. Pipe	nil	..	..	A2.00	2.50
2.90	2.00	..	..	Alaska Refin.	nil	..	..	..	.75
2.50	1.75	..	..	Do. pref.	nil	..	..	A5	6½
				Albt. Dist.	3305				

Range 1960 High	Low	Div. R'te $	Y'ld Jly29 %	Company	Sales	Last July 22	Week end. July 29 High	Low	Close or Latest
45½	35⅝	1.00	2.8	Cdn. Westinghouse	222	35⅝	38	35⅝	35⅞
1.20	1.00	..	..	Canarama	nil	..	B1.00	A1.20	1.20
..	..	..	..	Do. Pref.	nil	..	B2.25	A2.75	2.50
1.40	1.35	..	..	Do. Warr.	nil	..	..	..	.50
10⅛	9	♦.52	..	Cantexas A	1500	1.40	1.35	1.35	1.35
1.00	.85	..	..	Capital Estates	nil	..	B9⅛	A10	9¼
1.00	1.00	..	..	Carling Br. Alta.	nil	..	..	A.90	.90
12¾	12	.60+*.30	..	Do. V.T.	nil	..	..	..	1.00
55	47¼	*2.00	..	J. B. Carter A	nil	..	B12½	A13	12½
40	38	.50+*.50	..	Do. (B)	nil	..	B45	..	47¼
63⅛	60½	2.00	3.4	Catelli Food A	130	39¾	39¾	39¾	39¾
24	22⅛	1.00	4.5	Chart Trust	nil	..	B60	A61	†59½
58	42	♦1.00	..	Chateau-Gai	100	22⅝	22¾	22⅝	22⅝
3.00	3.00	*1s	..	Chrysler Corp.	225	45	43	42	42
1.65	1.65	5½%	..	Cinzano A	nil	..	..	B4.50	3.00
7	4¼	..	..	Do. 5½% Pref.	nil	..	..	..	1.65
7	5½	..	..	Circle Bar Knit	nil	..	B6½	..	7
20	19	§s	..	Do. (A)	nil	..	B6¾	..	7
†16	†15	.80	5.0	Cochrane-Dun	nil	..	B20	A20	20
25¼	12¾	..	..	Do. (A)	nil	..	B15	A16	7
5¼	3	..	..	Cockshutt Farms	738	15½	15	14¼	14¼
4.50	2.25	..	..	B. J. Coghlin	1300				

Range 1960 High	Low	Div. R'te $	Y'ld Jly29 %	Company
37	30	1.20	3.8	Imperial Oil
12⅞	11⅛	.50+*17½	..	Imperial Tob.
6	5¼	6%	3.8	Do. 6% Pref.
40	31	*85	..	Indust. Accept.
89	78⅝	2.25	2.5	Do. Warr.
47	39⅞	4.50	9.6	Do. 4½% Pfd.
54	48	2.75	5.1	Do.
15	8½	..	..	Do.
6	5½	.50	9.1	Ingersoll Mach. A
6.25	4.00	..	..	Inglis John
10	10	..	..	Ingram & Bell
12½	12	.60	4.8	Do. Pref.
21¼	16	§.60	..	Inland Cem. Pf.
2.30	1.40	..	..	Inland Chem.
6.37½	3.60	..	..	Inland Nat. Gas
14¾	13¼	1.00	6.9	Do. Pref.
1.75	.90	..	..	Do. Warr.
4.00	2.80	*06	..	Interior Brew. B
16	13	.70	5.4	Inter. Bid. Cr.
23	20	1.50	6.7	Do.

[illegible]



Dividends Declared

[illegible]

Where there have been no transactions during the week covered, the word "nil" is shown under sales and the quotations shown are the bid, ask, and last sale price, instead of high, low and close

(Continued on Page 30)

(Continued on Page 32)

Mining Stocks

WEEK ENDED JULY 29, 1960

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 27

Oil Stocks

▲U. S. funds ▲▲Initial. †Less than board lot. ♦When shown nil the figures are bid, asked and latest sale. *Paid or declared in 1960 §Paid in 1959. ‡Extra paid in 1959, shown for record purposes only, does not necessarily apply to 1960 dividend rate or payments. •After partial assets distribution. ††Dividend action deferred. §Paid or declared after stock split. ■Stock dividend.

Market Comment

What stocks and bonds are doing and what prominent observers say

An FP survey of the six months' earnings of 48 major Canadian companies representing a wide cross-section of industry shows an over-all gain of 16% when compared with first six-month period of last year. All segments but steel had an over-all improvement.

Comparable results for U. S. industry will not be nearly as good.

Unexpected results: The half-year earnings of major U. S. and Canadian oil companies are considerably better than had been anticipated; although in a number of cases the improvements reflected factors other than higher sales.

Steel company earnings on the other hand are running even below revised forecasts.

* * *

ROBERT A. WISENER;
Wisener, Mackellar & Co. (Toronto)

For some 18 months, investors have had more interesting areas for investment than Canadian equities. Our Canadian companies have not made the spectacular gains in earnings that have been made in U. K. and European businesses.

With the opportunities at home together with apparent fear of stronger Canadian economic nationalism, overseas investors have tended to sell some of their Canadian securities and certainly have not committed large amounts of money to purchasing Canadian common stock as they did in 1956-1957.

At the same time very attractive interest yields and a growing awareness of the attractiveness of foreign securities has diverted a higher than normal part of Canadian savings away from our common stocks.

These basic factors are now beginning to change. European and U. K. markets are much higher than before, relative to our own. Some parts of Canadian industry are regaining their competitive positions in foreign and domestic markets. Interest rates are declining and segments of our industry are showing improved earnings.

Certainly some of our stocks are in an attractive range from an investor's view, but from an speculator's position our market offers little activity and is not apt to do so for a while. Our primary concern must be with the investor who represents the long-term intelligent use of our savings, and this is his sort of market where opportunities can be found.

* * *

ROBERT E. LIPTROTT;
Bongard & Co. (Toronto)

The stock market action during the last month has been characterized by indecisive shifts in attitude. Canadian industrials edged lower and the lack of interest in base metals and oils has been fully reflected in the Toronto averages.

The New York market moved lower erratically, demonstrating inability to definitely assess the platform implications of both the Democrats and the Republicans.

The investing public does not appear to be as concerned with inflation as it was 12 months ago, even though there has been no lessening of upward pressure on the wage-price spiral. These pressures remain intact but are being applied with a greater degree of finesse.

Unless there is a swing back to inflation psychology, we would look for market action to remain listless.

The dedication of funds to the equity or bond market will be governed more precisely by the investor's need, using security, yield and tax position as the primary yard sticks.

The banks, energy stocks, food processors and distributors, brewing and distilling would appear to represent sound value at current levels.

* * *

MARGARET E. HUGHES;
Morgan & Co. (Montreal)

Many common stocks in Canada today are as cheap, if not cheaper, than they were at the end of 1956. Fortunately, when business rebounded last year, the stock market never reached an inflated level such as we have witnessed in similar periods in the past.

It would be unreasonable to expect that there will be a sharp expansion in business in Canada over the next few years and it is logical for common stocks to appraise the future more conservatively.

Nevertheless, with a burgeoning consumer demand in every country in the world, there is justification for assuming that the present relatively unsatisfactory conditions will be of temporary significance only and that the growth of this country will not be more than interrupted.

If past experience is any criterion, stock market performance is not likely to confirm present popular anticipations. The prevailing expectation now is that the major capital gains will be made in the European Common Market. Generally-accepted ideas of what the market has in store have seldom been a dependable guide to investment policy.

Canadian equities are no longer inflated in relation to those of other countries and there are many situations which, in our opinion, represent ideal investment media for those who are willing to wait for the maximum benefits.

Canadian Auto Production

	Week Ending July 30	Same Week 1959	Year To Date 1960	Year To Date 1959	% Change To Date
CARS					
General Motors:					
Buick	...	...	6,099	6,007	
†Chevrolet	...	...	58,518	57,045	
Oldsmobile	...	...	7,052	10,765	
Pontiac	...	...	54,301	45,838	
	...	...	125,970	119,655	+5
***Ford:**					
†Ford	1,129	1,052	39,817	36,893	
Mercury	2	150	3,139	4,523	
†Meteor	494	766	20,485	23,710	
Monarch	4	53	3,270	3,600	
	1,629	2,021	66,711	70,336	—5
Chrysler:					
Chrysler	...	...	3,351	4,431	
De Soto	...	...	1,904	820	
Dodge	...	...	13,878	14,825	
†Plymouth	...	...	12,338	11,650	
	...	...	31,471	31,726	—1
Studebaker-Packard:					
Studebaker	54	218	3,666	5,430	—32
Total cars	1,683	2,239	227,818	227,147	....
TRUCKS					
General Motors	4	579	25,457	24,049	
Ford	585	443	13,465	11,862	
Chrysler	...	...	3,731	4,678	
International	247	7	7,586	8,964	
Total trucks	836	1,029	50,239	49,553	+1
Total cars, trucks	2,519	3,268	278,057	276,700	....

*Includes Edsel production, 1959 model year.

†Chevrolet includes Corvair, Ford includes Falcon, Meteor includes Frontenac, Plymouth includes Valiant.

Source: Canadian Automobile Chamber of Commerce.

Company Meetings

Date	Company	Place
Aug. 4	Copper Rand Chib. M.	Montreal
Aug. 4	Portage Island Chib. M.	Montreal
Aug. 5	Cons. New Pac. Ltd.	Toronto
Aug. 6	Bunker-Hill Extension M.	Toronto
Aug. 11	L. E. Waterman Pen.	St. Lambert, P.Q.
Aug. 12	Weedon Mining	Montreal
Aug. 17	Industrial Accept. Corp. Ltd.	Mount Royal, P.Q.
Aug. 18	Canadian Wallpaper Mfg.	New Toronto, Ont.
Aug. 15	Stanleigh Uran. Min. Corp.	Toronto
Sep. 19	Sheraton Corp. of Am.	Boston, Mass.
Sep. 24	Quebec Copper	Montreal

Dividends Declared

(Continued from Page 28)

	This payment $	Date payable	*Date of record
So Can Pwr	62½	Aug. 15	Jul 20
Stand. Brands	†.40	Sep. 15	Aug. 15
Stand. Radio	.20	Oct. 11	Sep. 21
Steinberg's 5¼% pf.	1.32	Aug. 15	Jul. 25
Do A & cum.	.10	Sep. 2	Aug. 9
Tay. Pear. & Car. 5% pf	.12½	Aug. 15	Jul. 30
Texaco Can Ltd	40	Aug. 31	Jul. 30
Do 4% pf	1.00	Oct. 20	Sep. 30
Thompson Pap. Box	.04	Sep. 1	Aug. 22
Trans Can. Corp. Fd.	.25	Oct. 1	Sep. 15
Do	.25	Jan. 4	Dec. 15
Un. Corp. A	.38	Aug. 15	Jul. 30
Do B	.15	Aug. 15	Jul. 30
Do 5% pf.	38	Aug. 15	Jul. 30
Un. Fuel Inv. 6% pf	.75	Oct. 1	Sep. 9
Un. Grain Grow 5% A pf.	1.00	Sep. 1	Jul. 30
Vandry Inc. A	.10	Sep. 30	Sep 15
Do	10	Dec 31	Dec 15
Ventures Ltd.	.25	Aug. 31	Aug. 15
Waite Amulet	20	Sep. 10	Aug. 19
West. Can Brew.	30	Sep. 1	Aug. 1
Willson Stat	2.00	Oct. 1	Sep. 15
G. H. Wood 5½% pf	1.37½	Sep. 1	Aug. 15

†—U.S funds. ‡Extra

*—The ex-dividend date is usually at least two full business days prior to the record date

**—5% subject to ratification of shhldrs

■■—Tax pd. stk. divd. of 6 red. pf. shs. (.05 par). Cash portion subject to income tax.

■Initial.

**—First foll. pub. distrib. of stk.

§—Initial for per. June 24 to Aug. 15/60.

▲—For 3 months ended Aug. 1/60. Record date extended due to purchase offer which expired Jul. 15/60.

Industrial Stocks

(Continued from Page 28)

Range 1960 High	Low	Div. R'te $	Y'ld Jly29 %	Company	♦ Sales	Last July 22	Week end. July 29 High	Low	Close or Latest
..	..	..	..	Wesley Mason Pfd.	nil	..	..	..	†1.00
17¾	12	.80	5.6	Westeel	1060	12⅝	14⅜	12½	14⅜
32½	32½	1.20	3.7	West. Can. Brew	155	32½	†33	32½	32½
8	6⅛	.30	4.4	West. Can. Steel	400	6¾	6¾	6¾	6¾
3.60	2.55	..	..	West Copper	50	2.60	†2.00	†2.00	†2.00
1.35	.56	..	..	Do. Warr.	165	†.50	.58	†.50	.58
35	32	2.00	5.7	West Grocers A	10	34½	35	34½	35
26	24⅞	1.40	5.6	Do. Pref.	nil	..	B28	A28½	25
130	130	7.00	6.1	West Koot. Pref.	nil	..	B126	..	†115
16¼	11¼	.70+‡.10		West Plywood B	675	12	11½	11¼	11¼
38¼	32	.70+*.10		Westminster P.	570	33	33	31½	32
35¼	29	.70	2.1	Weston G. A	2685	34¼	35	33¼	33⅛
37	33½	.70	2.1	Do. (B)	605	36¼	35¼	34	34
90	82	4.50	5.0	Do. 4½% Pref.	10	90	90	90	90
16⅛	10			Do. Warr.	1835	13¾	13¾	13	13
106	100	6.00	5.7	Do. 6% Pref.	15	105	105¾	105¾	105¾
33	25⅞	2.80	11.0	White Hard Pfd.	55	25⅞	†24¾	†24	†24¾
7⅛	6	*.10	..	White Pass Yukon	2006	6¼	6⅜	6	6⅜
..	..	*2.00	..	Willson Stat.	nil	..	B42	..	43¾
†99	†99	5.00	5.1	Do. Pref.	nil	..	B99	..	†99
†28	†25	‡■	..	Windsor Hotel	nil	..	B25	..	†25
590	525	..	..	Wpg. Win. Club	nil	..	..	..	570
5.00	4.25	.30	6.7	Wood Alex	nil	..	B4.25	A4.50	4.50
†94	†92⅞	5.50	5.9	Wood, G.H. 5½%Pf.	nil	..	B92⅞	..	†94
29	24½	1.60	6.5	Wood J. A	100	24⅛	24½	24⅛	24⅛
85	82	4.50	5.5	Do. Pref.	nil	..	B82¼	A85	82¼
..	..	..	..	Woodford A	nil	..	B.50	..	.50
..	..	..	..	Do. (B)	nil	..	B.10	..	.10
37	35	*■	..	Woods Mfg.	9	35	35	35	35
19⅞	14¾	.40	2.6	Woodward A	1300	15⅛	15¼	15	15¼
8.25	4.75	..	..	Do. Warr.	345	5.75	6.00	5.50	5.90
†8¼	†7	60	8.6	Wool Combing	nil	..	B8	A9½	†7
2.75	1.00	..	..	York Knitting A	100	1.35	1.25	1.25	1.25
.27	.15	..	..	Do. (B)	nil	..	B.17	A.50	.27
37	31½	*1.00	..	Zellers	545	36⅞	37	36	36
46⅛	41½	2.25	4.8	Do. 4½% Pref.	350	45	46½	46½	46⅛
3.00	2.50	.16	6.2	Zenith	1000	2.55	2.60	2.55	2.60

▲U. S funds ▲▲Participating divd ††Dividend action deferred ■Stock divd ♦♦Initial †Less than board lot ♦Note When sales show nil the figures are bid, ask and latest sale ‡Extra paid in 1959, shown for record purposes only does not necessarily apply to 1960 dividend rate of payments ■■On arrears ♦Paid on arrears. ††Paid or declared after stock split. §Paid in 1959. *Paid or declared in 1960. ‡‡Includes participating dividend. ♦♦On redemption.

Options on Stock

Supplied by Kippen & Company Inc., Montreal
90-day Call Offerings per 100 shares at current market prices
August 1, 1960

Alta. Gas Tr.	$185	Imperial Oil	$275
Aluminium	245	Inl. Nat. Gas	65
Bailey Sel. A	75	Int. Nickel	425
B.A. Oil	240	Interpr. Pipe	480
B.C. Forest	140	Iron Bay	30
Camp. Chib.	70	Jacobus	20
Can. S. Pete	45	Lakld N. Gas	35
Can. Brew.	300	Maritimes	18
Can. Chemical	85	Mas.-Ferguson	100
Can. Delhi	60	Mid-West Ind.	30
Can. Exp. Gas	23	New Hosco	15
Can. Hus. Oil	75	N. Ont. N. G.	145
Can. Sup. Oil	100	Opemiska	70
Can-Erin	15	Pacific Pete	110
Cent. Del Rio	55	Provo	25
Coch. Willans	50	Que. Nat. Gas	100
Con. Discov.	50	Rio Algom	95
Copper Rand	20	Roe, A. V.	75
Denison	120	Royalite	80
Dom. Stores	430	Sher. Gordon	35
Dom. Tar & Chemical	160	Steep Rock	100
Fam. Players	180	Teck-Hughes	20
Giant Y'kfe	130	Tr.-Can. Pipe	180
Gunnar	90	Triad Oil	35
Home Oil A	95	United Oils	19
Hudson Bay	350	W'coast Tran.	135

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
*Eastern Utilities Ltd. Coll. Trust S.F. Deb. Ser. A	4½%	'70	Sep. 30	$101.00

*—All outstanding.

Unlisted Mines and Oils

(Compiled from Quotations by G. E. Leslie & Co., Montreal)
Aug. 1, 1960

Alsab	25	45	Lke Chib.	..	10
Aconic	45	50	Main Oka	30	40
Do v.t.c.	45	50	Marpic	2	5
Am. Mng.	10	20	Mart Bird.	3	5
Arnora	..	2	Mattagami	10	15
Ass. Devp.	4	6	Miller Cop.	4	6
Atlas Chib.	2	4	Natl. Mal	38	42
Bald Mtn.	3	6	Nipigon	9	12
Blk Hawk	33	35	Nth Matt	15	18
Brosnan Ch	5	8	Oklend	3	5
Big Nell	15	25	Pascalis	15	20
Bracemac	7	9	Pine Pt	9	9½
C. Javelin	7½	8½	Quedon	..	5
Cop. Strm.	20	30	Quejo	2	4
Dauphin	10	15	Rand Mal	2	4
Franksin	..	30	Saucon	225	250
Gibson	4	8	Sheraton	..	45
Glencona	½	1	St. Jude	1	3
Hastings	40	50	St. Helen	..	25
Hull Iron	60	80	Scott Chib.	2	4
Independ.	5	8	Starlight	1	3
Kenmac	1	3	Valmont	..	11
L. Sup. I.	15	20	Wm. Leys	2	5
Lun. Echo	25	30	Yng Dave	12	15

Gold Bars Quoted

Rate Reported by Doherty, Roadhouse & Co., Toronto.

Canadian kilo bars of gold approximately 32 oz. each.

Aug. 3, 1960

	Bid	Asked
	—per oz.—	
Latest week	$33.85	$34.15
Previous week	$33.85	$34.15

Bond Tenders

12 NOON, AUG. 4, 1960, GOVERNMENT OF CANADA TREASURY BILLS. Payable Nov. 4, 1960 and Feb. 3, 1961, $120,000,000. Dated Aug. 5, 1960.

Government and Corporation Bonds

Government of Canada, Provincial, Municipal and Corporation Bonds now yield from 5 to 6½% — highest in the past 25 years. List on request — inquiries invited.

KIPPEN & COMPANY INC.
Established 1922

Members
Montreal Stock Exchange *Canadian Stock Exchange*
The Investment Dealers Association of Canada

607 St. James St. W. MONTREAL Telephone: UN. 6-2463

Placer Net Boosted 9%

Placer Development boosted its net profit 9% to $1,250,000 (48c share) in the year ended April 30 from $1,152,000 (45c) in the previous year, a preliminary report says.

The report notes that sale of **Coronet Oil** shares in July 1959 further increased consolidated earned surplus by $9 million.

This money is expected to be required for developments of mining ventures in which Placer is interested.

Dome Mines Net 45c Share In First Half

Dome Mines continued the improvement in profits shown in the first quarter as estimated net rose 4% to $866,674 in the first half of 1960, from $829,143 in first half 1959.

In the first quarter of the current year, the Porcupine area gold producer reported profit up at $431,268 from $409,335 in the same period last year.

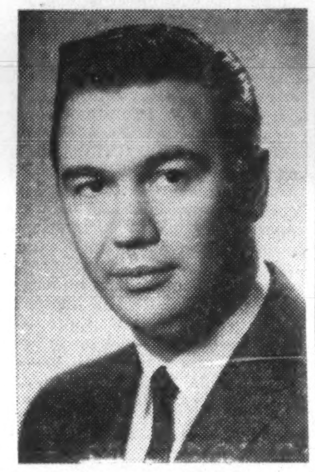
	First Half 1960	First Half 1959
Tons milled	357,100	356,500
Gold, oz.	87,567	85,296
Bullion	$2,969,103	$2,902,932
Cost-aid	363,000	356,000
Other income	716,073	647,086
Operating costs	2,941,502	2,855,475
Depreciation	89,000	75,400
Taxes	51,000	46,000
Outside explor.	100,000	100,000
Est. net profit	$866,674	$829,143
Per share	45c	43c

CONTROLS DISTRIBUTOR

Control Switch Division of **Controls Co. of America** has appointed **Brian Engineering Ltd.,** Montreal and Toronto, Canadian distributor and sales representative.

ANNOUNCEMENT

WAYNE PUMP CANADA LIMITED APPOINTMENT



HAROLD G. BUCCINO

A. E. TRAFFORD-OWEN, PRESIDENT of Wayne Pump Canada Limited, announces the appointment of Harold G. Buccino as Manager, Bulk Equipment Sales.

Mr. Buccino has a number of years experience in the Engineering, Design and Application of Liquid Pumping and Metering Equipment.

ANNOUNCEMENT

MANAGING EDITOR

R. JAMIESON

Appointment of Robert Jamieson, 47, U.K. and Canadian newspaperman as managing editor of Canada News-Wire, the business wire service, is announced by Unican News Services Limited. Mr. Jamieson will be in charge of Toronto and Montreal newsrooms and transmission of business and industrial news to press, radio and TV in central Canada and to London and New York. Scots born, Jamieson was with Reuters and on the foreign desk of The Times and The Daily Telegraph in London. For some years he produced the Manchester Guardian annual Review of Finance, Trade and Industry. In Canada, he has been on staff of The Montreal Star and Gazette and has been special correspondent for Comtelburo, the financial service of Reuters. Writer of industrial corporation studies for Executive magazine, he has been for the past two years Montreal editor of Saturday Night.

Taking Stock

What's going on in the mining and oil markets — the facts and rumors.

By FRANK KAPLAN

A SUDDEN FLIP in a handful of producing gold mines stirs mild interest in otherwise irregular metal stock market trading.

The golds take their leadership from Wall Street where giant **Homestake Mining** jumps suddenly when the rest of the market turns downward. Homestake turns around from the minus column to chalk up a ¾-point gain at $42.

Interest in golds appears to be in line with general attitude of concentrating on defensive-type stocks during what is felt to be an uncertain period.

Canadian golds, which recently were bumping along at their lowest levels of the year, present a mixed picture, with a few interlisteds tending higher.

	Latest Price $	End June $	1960 High $	1960 Low $
Campbell Red Lake	13	10	14½	9.75
Dome Mines	20⅜	17⅜	20	16⅝
Giant Yellowknife	9.85	9.00	12⅜	7.50
Madsen Red Lake	2.65	2.61	3.35	2.52
Cochenour	2.98	2.82	3.25	2.73
Kerr-Addison	11⅞	12	22⅝	10½

* * *

Effect of earnings reports is spotty. With mid-year results generally showing improvement over last year, market attention appears mixed. **Hudson Bay Mining,** the big Manitoba base metal producer, firms to $45 from $44; **Noranda Mines** at $38⅛ is ahead from $37¼. **Consolidated Mining & Smelting** slips to $17¼ from $18½ then firms up to $18.

Faraday Uranium, in its efforts to diversify its interests, now is looking at a silica operation as an outlet for its uranium-generated cash. Faraday to take up over the next four months 12,670 **Canadian Silica** preferred at $10 and 39,000 common at 33 1/3c and may provide further financing. The silica producer is controlled by **Mentor** which trades at 17c and has been quiet between 15c and 20c this year. Faraday at 70c is ahead from 65c. Previously Faraday acquired **Nickel Mining** for its Gordon Lake property.

* * *

Frobisher shares are in the penny class and trade at 10½c following completion of the Frobisher-**Ventures** deal and distribution of Ventures shares on the basis of one Ventures for 13 Frobisher. Frobisher had been around $1.85. Ventures is trading at $22, down from a recent $24¾ level as the additional shares issued tend to come into the market, traders say.

Sherritt Gordon is a bright spot, with the company reporting rising earnings and no trouble in selling its nickel. The stock firms to $3 from around $2.86. **International Nickel,** the big nickel producer, is expected to come up with its mid-year earnings at any time. Meanwhile Inco shares steady at $52 from a recent $50 where they had dropped from around $55.

* * *

ON THE OIL AND GAS FRONT—prices show slight signs of steadying from recent lows. Some interim earnings reports indicate considerable improvement for a few companies.

Bailey Selburn reports a 21% rise in five months and the stock bounces up from $4.85 to $5.30.

Royalite indicates profits running more than double last year's rate for the first half and the shares at $6.75 are ahead from a recent $6.10, near the $6 low for the year.

Ponder Oils attracts brief interest as the company switches its emphasis from the oil business to the printing business. Ponder buys a Winnipeg printing firm. The shares climbed from 43c to 53c prior to news of the deal and now drop back to 43c.

Hudson Bay M&S Profits Up 32%

With increased tonnage and higher prices for metals, **Hudson Bay Mining & Smelting** reports a 32% rise in net profits to $5,813,792 ($2.11 a share) in the first half of 1960 from $4,401,388 ($1.60) in the same period last year.

The company previously reported first quarter profits up 34% at $3,083,479 ($1.12) from $2,301,570 (83c).

	First Half 1960	First Half 1959
Tons milled	838,996	829,030
Metal sales revenue	$24,215,996	$21,940,527
Other revenue	645,045	509,836
Delivery charges	3,203,774	3,050,082
Operating costs, admin., royalties	12,007,786	11,265,412
Write-offs	1,741,689	1,679,481
Income taxes	2,094,000	2,054,000
Net profit	5,813,792	4,401,388
Per share	$2.11	$1.60

Cdn. Propane Shareholders Get Offer

Canadian Hydrocarbons Ltd. is offering $3 a share for the 130,000 shares it does not already own of **Canadian Propane Ltd.** (recent market price: $2.25).

There are 564,530 Canadian Propane shares outstanding of two million authorized.

Shareholders accepting the offer will receive subscription warrants to buy unissued shares of Canadian Hydrocarbons at $10 a share on the basis of one warrant for 3 1/3 shares of Canadian Propane.

Warrants will expire in March, 1961.

Recent market price of Canadian Hydrocarbons: $10.

NEW DEPARTMENT

Prof. Robert G. Billinghurst has been named head of the newly established department of engineering physics in Essex College, Assumption University, Windsor, Ont.

Rio Offer Dies, Nothing Further In Stanrock Sale

At mid-week there were no further discussions planned between Rio Tinto and **Stanrock Uranium Mines** following adjournment of court hearings to Sept. 6.

The offer to buy Stanrock by **Rio Algom Mines,** the uranium-mining arm of the **Rio Tinto Mining Co. of Canada** group, has lapsed and nothing further is "lined up", a Rio Tinto official told **FP**.

Court hearings followed action by the president of the bankrupt mine who protested a new sale deal with the Rio group (**FP**, July 23, May 21).

Meanwhile, the receiver-manager, **Montreal Trust Co.,** announced that a 30% payment on principal totaling $8.7 million will be made to bondholders. Payment date is expected to be Aug. 31.

Montreal Trust said the $8.7 million is after providing for repayment of bank loans and other prior claims of $3 million and approved capital expenditure and development cost of $1.6 million.

Oxide production is meeting delivery requirements with grade of ore averaging 2.18 lb. per ton. Present intention, says the trust company, is to continue normal operations.

Operating Losses For Bevcon, McKenzie Red Lake

Bevcon Mines and **McKenzie Red Lake Gold Mines** this week reported operating losses for the first half of the year, compared with operating profits before depreciation and taxes reported for the same period last year.

Biggest part of the losses occurred in the second quarter for these members of the **Little Long Lac group** (**FP**, July 30).

BEVCON MINES had a $22,299 operating loss in the second quarter with operating loss for the half at $37,661.

	First Half 1960	First Half 1959
Tons milled	120,600	120,593
Gold, oz.	13,050	15,071
Value	$440,001	$510,009
Cost-aid	134,092	154,851
Operating expenses	611,754	661,584
Op. profit (loss)	(37,661)	3,276

McKENZIE RED LAKE GOLD MINES had an operating loss of $20,744 in the second quarter for a total loss of $29,161 for the half.

	First Half 1960	First Half 1959
Tons milled	41,889	38,123
Gold, oz.	8,801	8,209
Value	$296,386	$280,194
Cost-aid	90,478	85,234
Operating expenses	416,025	356,323
Op. profit (loss)	(29,161)	9,105

MOISTURE METERS

Canadian Research Institute, Toronto, has been appointed Canadian distributor of moisture meters for the firm of **R. Acker, Heidelberg, West Germany.**

To the shareholders of

STANLEIGH URANIUM

MINING CORPORATION LIMITED

NOTICE

RE OFFER TO PURCHASE CERTAIN SHARES

Rio Algom Mines Limited has offered to purchase **ONE-HALF** of the holdings of each shareholder of Stanleigh Uranium Mining Corporation Limited, at $1.10 (Canadian) per share.

The offer, which is subject to certain conditions, will be open for acceptance until **AUGUST 22, 1960** and payment will be made on August 24, 1960.

A copy of the offer and a letter of transmittal has been mailed to each shareholder of record. Any shareholder who has not received the offer and any person owning shares not recorded in his name is advised to communicate at once with

The Toronto General Trusts Corporation

253 Bay Street, Toronto, Ontario, Canada

EM 4-4371

Who Made the Profit On Stanleigh Burst?

One big question on Bay Street this week:

Who made the quick profit in a 64% jump in **Stanleigh Uranium Mines** shares?

About the middle of last week, brisk buying started in Stanleigh shares although the future was still uncertain both for the Elliot Lake mine and the equivalent of 50c a share offered by the Rio Tinto group.

But Stanleigh shares suddenly bounded from 40c-45c level ahead of the 50c offer, which was the most that shareholders could be certain of if an Aug. 2 meeting (the second round) approved sale.

It was a big if because of opposition to merger with **Preston East Dome Mines (FP,** July 23).

Quickly, Stanleigh stock bounced to a top of 73c by the end of the week with some 327,000 shares changing hands, more than triple the recent pace of activity.

The reason for the buying interest, said by the street to be concentrating through New York houses, became clear at the adjourned meeting.

- **The Rio Tinto group had upped its price for Stanleigh stock** to the equivalent of 80c a share, a 60% boost.

The meeting ran smoothly (2.2 million shares for, and 112,000 against) without a single vocal protest.

Approval by **Preston East Dome Mines** shareholders (who aren't paying any more for Stanleigh under Rio's unusual offer) is expected to be a formality. Similarly Stanleigh bondholders are expected to agree readily.

Here's what happened at the meeting.

Rio Algom Mines made an over-riding offer to buy half of any Stanleigh shares tendered to it by Aug. 22. Price offered is $1.10 a share with payment date Aug. 24. This offer may be extended by Rio to Aug. 31.

The original proposal, accepted by Stanleigh shareholders, is unchanged.

It provides for issuance of one 50c par value 4% preferred share of Preston East Dome Mines (the gold-producing member of the Rio group) for each Stanleigh share. **Rio Tinto Mining Co. of Canada,** the over-all parent of both Preston and Rio Algom, will offer to buy these preferred for 50c cash for 90 days after the amalgamation.

For 100 shares, a Stanleigh shareholder gets:

—$1.10 a share for half (50) or $55.

—50c for the other half (50) or $25.

Total received: $80 for 100 shares, or 80c a share.

Reason for the unusual method to raise the Rio group's bid was to avoid delays which would result if the lengthy legal documents of the original proposal had to be changed.

It looks as though the Stanleigh mine will close about the end of the month. And the deal will permit Rio Algom to keep its Milliken and Panel mines going at least until June 1961.

It had been expected that without the additional uranium sales contract of Stanleigh, Milliken and Panel would have closed this fall.

After the result of the meeting was known, Stanleigh stock seemed to dig in at 74c.

Nobody seemed to know the sources of the advance buying from the 40-45c level when the original deal still seemed in doubt. Rio Tinto officials were blunt in repeating previous comments to **FP** that to their knowledge, nobody connected with them held any stock in Stanleigh.

And at least one investment firm interested in Stanleigh had ordered its employees not to trade in the shares.

No official would even acknowledge that negotiations were under way.

But somehow the market got a four-day tip. And the question remains.

ANNOUNCEMENT

NESBITT'S APPOINTMENTS

B. A. KEYS

J. S. REID

G. F. HENDERSON

The Board of Directors of Nesbitt's Orange of Canada Limited announces change of company name to NESBITT FRUIT PRODUCTS CANADA LIMITED, with Mr. B. Allan Keys as the newly appointed President, Mr. John S. Reid as vice-president and Mr. Gordon F. Henderson, Q.C., as secretary.

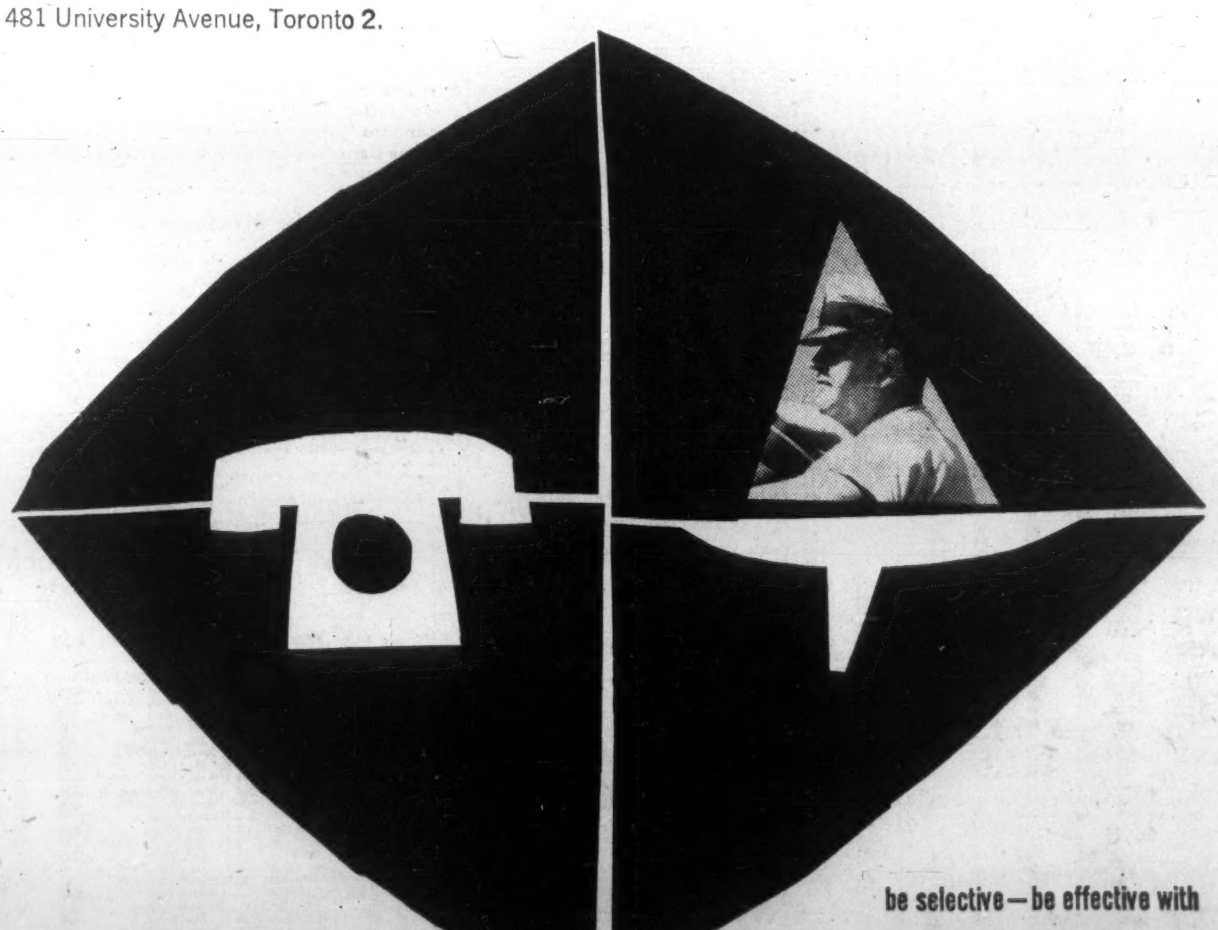
According to the announcement, company name change is made as a result of steadily expanding business and to prepare the way for further growth and development.

Mr. Keys has had wide experience in the Canadian Beverage Industry having spent a number of years in the beer and liquor business before serving more recently as Vice-President and Managing Director of the Nesbitt Company.

Mr. Reid, Vice-President, joined Nesbitt in the early days of the Company and has been concerned mainly with Sales in recent years. Mr. Henderson, the newly appointed Secretary, is a well-known Corporation lawyer specializing in Patent and Trade Mark. He is associated with the Ottawa Legal firm of Gowling, MacTavish and Henderson.

sell the biggest men in your market

Whatever his job in business, the professions or government, his decisions affect policies and purchases. He has expensive tastes and cultivates them fondly. He is active in civic affairs, in sports, clubs and business associations. When he reads The Financial Post he acts on what he reads. It could be your advertisement. Whatever your product or service, he and other Post readers are the biggest men in your market. Write for a complete profile of the FP reader: The Financial Post, Canada's foremost publication for management, 481 University Avenue, Toronto 2.



be selective—be effective with

The Financial Post

ANNOUNCEMENT

ROBERT C. MARVIN

J. Walter Thompson Company Ltd., has announced the appointment of Robert C. Marvin, senior supervisor in Toronto, as vice-president of the Canadian company.

Mr. Marvin joined the Toronto office in 1957 after a 20-year background in advertising and sales promotion in the United States and Latin America as well as in Canada.

ANNOUNCEMENT

STANDARD RADIO LIMITED
CFRB

W. LEO KNOWLTON, Q.C.

The Boards of Directors of Standard Radio Limited and Rogers Radio Broadcasting Company Limited announce that Mr. W. Leo Knowlton, Q.C., has been elected a director of both companies.

Mr. Knowlton is General Manager and a director of The Canada Permanent Trust Company.

PIPE LINES

Alberta Gas Trunk Line Co., has awarded a contract to **Banister Construction Co.,** Edmonton, for construction of around 50 mi. of lateral additions to the former's system. Construction calls for 5½ mi. of 4-in. line in the **Sedalia** area; 14 mi. of 8-in. line, 19 mi. of 10-in. line and 12 mi. of 24-in. and 26-in. line, all in the Cessford area. Estimated cost: $2.3 million. Completion is scheduled for Sept. 15.

Dream, Drive Pay Off Halliwell Opens Mill

"I'll make a mine out of this if it's the last thing I do," Bill Plexman told an FP writer back in 1956. They were standing on a hill under Haiti's hot sun, looking over the sprawling mixture of trim new buildings, shabby shacks and a small ore dump that was the copper property of Consolidated Halliwell Ltd.

This week he had made his mine: Halliwell went into production.

By FRANK KAPLAN

From youthful mucker in the mines of Sudbury and Noranda to top man in his own producing operation, Bill Plexman made it the hard way.

He learned the hard-rock business, "from below the ground up" as an underground miner at **International Nickel** and **Noranda Mines** through the depression years.

This week, a jubilant 48-year-old Plexman culminated seven years of persistence and $7 million of expenditures with a fast 125-mi. scenic drive to telephone his backers with the good news:

● First production at **Consolidated Halliwell's** copper mine is starting this week. Plexman is president, general manager and prime force driving the company.

PLEXMAN

Miner, prospector, trapper and hunter in Canada's frozen north, Bill Plexman's final success as a "mine-maker" is occurring in the steaming valleys and steep hills of the semi-tropical Republic of Haiti, about 2,000 mi. south of his birthplace — Capreol, Ont.

Consolidated Halliwell, through wholly-owned subsidiary Societe D'Exploitation et de Developpement Economique et Naturel d'Haiti (Sedren) S. A., has a 100 sq. mi. concession on Haiti.

The mine is on the western coast of the Republic. Today, this largely Canadian investment (more than $3 million senior financing by **Consolidated Mogul**) is providing jobs for about 700 Haitians.

Initial production break-in schedule calls for building up to a rate of 1,500 tons of ore daily. But a third ball mill to be installed later will raise output to well over 2,000 tons.

Copper concentrates are expected to run 35-40% copper and will flow to world markets from a dock built by the company under a sales agreement with **Phillips Bros. Ore Corp.**

Plexman quit underground work for Noranda in 1945 to go out on his own. In 1953, he became interested in the Haiti property which had been previously mined on a small scale. Two years later, after considerable preliminary work, Plexman interested the Mogul financing organization of H. W. (Bud) Knight Jr. and everything looked rosy. Copper was booming, Halliwell stock boomed — to a top of $3.75 in 1956.

Then the roof caved in. The price of copper on world markets collapsed and yesterday's "sure thing" became a tough financial proposition. Halliwell and Mogul were caught along with the giants of world mining. Many suddenly had to cut back ambitious plans.

Halliwell shares slumped to 23c low in 1957.

But Plexman stuck doggedly to his dream of developing "his" mine — the dream that sustains the footslogging prospector through black-fly infested bush.

Work slowed to a near standstill many times, finances were short, but Plexman and Mogul were able to avoid any complete shutdown. With improved copper prices, the pace of development stepped up about a year ago, necessary buildings were erected and production equipment moved in rapidly.

Crushers started turning over July 20 and the whole plant was being cut in this week. The mine is opened up by three adit levels and an internal shaft to give a fourth level. The last annual report showed ore reserves at 3,633,640 tons of 2.02% copper and underground drilling has since added to this picture to the north and west of the main deposit.

At mid-week, with Halliwell apparently over the worst of its exploration and development hurdles, the shares traded at 45c, near the 44c low of 1956 before $7 million had been spent by tenacious Bill Plexman.

Profit Rise Continues At Sherritt

Continued improvement in earnings, reflecting increased revenue from custom refining, lower premium on the Canadian dollar and increased sales of nickel and ammonia is reported by **Sherritt Gordon Mines.**

In the first half of 1960, net at $2,104,838 (18.6c share) is ahead 85% from $1,135,443 (10c) in first half 1959. Second quarter profit f $1,142,620 (10c) is 69% ahead of the $675,945 (6c) earned in second quarter 1959.

Eldon L. Brown, president and managing director, notes that the rate of earnings in the second quarter is better than the 8.5c share in the first quarter of the year.

Good overseas sales of nickel offset lower sales to the U. S. At the Fort Saskatchewan refinery, 8,064,265 lb. nickel were produced with 2,161,105 lb. from custom concentrate on a toll basis.

At Lynn Lake, 291,434 tons were milled for an average of 3,203 tons daily, compared with 3,180 average in the first quarter. Nickel production in concentrate was lower because of lower grade mill feed, he reports.

Construction has started on a small rolling mill, with operations expected to start by December.

	First Half 1960	First Half 1959
Net sales	$12,999,357	$10,230,513
Costs	8,887,809	7,280,708
Interest, royalty	362,358	325,911
Write-offs	1,642,352	1,488,451
Net profit	2,104,838	1,135,443
Per share	18.6c	10c

ANNOUNCEMENT

CANADIAN BREWERIES LIMITED APPOINTMENTS

JOHN D. FRASER, C.G.A. C. M. RICHARDSON, C.P.A.

Ian R. Dowie, President, Canadian Breweries Limited announces the appointment of John D. Fraser as Treasurer of the Company succeeding H. A. Cornwall recently retired. C. M. Richardson succeeds Mr. Fraser as Assistant Treasurer.

CHECK THESE 30 STOCKS AGAINST YOUR PORTFOLIO...

BY EARLY THIS WEEK, **Creative Telefilms** had filled back from its 1960 high by $3 per share on the TSE; **MacMillan & P.R.** had lost more than $4; **Imperial Oil,** more than $5; **Algoma,** $10; **Stelco** — a giant in Canadian steel — well over $20; E. P. Taylor's **Argus,** more than $7; **Ford of Canada,** nearly $50; **National Steel Car,** more than $6; **Trans-Canada Pipe** $9; **Noranda,** more than $10, while **Walker's, B.A. Oil, Canadian Pacific, A. V. Roe, Page-Hersey, Westeel, Dominion Dairies** and **Crush International** were also among securities trading on the downside.

IF YOU ARE HOLDING one or more of these situations now, what do you plan to do? Sell and thereby convert a paper loss into a cash loss? Continue holding and thereby accept the risk that further erosion of your investment capital may occur? Buy more at this time on the speculation that your particular participations just couldn't swing down any further?

FOR THE GROUP AS A WHOLE, we'll say here and now that there's no single "Correct" answer, for today more than ever before each company must be analysed in terms of its own particular characteristics. What, for example, is Westeel's *competitive position* in industry? What is the *medium-term outlook* for Walker's or Page-Hersey? What *new corporate developments* could affect Page-Hersey, Creative Telefilms or A. V. Roe? To what extent has the corporate image, *management and shareholder morale* of any one of the above improved or deteriorated over the past year or two? And at present prices and high yield, would you say that now is the time to *average down your position* in C.P.R. by accumulating another substantial bloc of shares?

ON THE OTHER SIDE OF THE COIN early this week were companies like **Dominion Stores,** up $17 from this year's low; **Loblaw B,** up more than $3; **John Labatt,** up $6; **Canadian Breweries,** up $6; **Abitibi,** up $3; **Industrial Acceptance,** up $7; **Zellers,** up $4, while **Canadian Sugar, Parker D, Traders Finance, Union Acceptance** and **Weston B** were also among securities trading on the upside. Is now the time to lighten your positions, place stop-loss orders or simply hold for further gains along still another leg up?

AND IF IN FACT you are holding any of the above, remember that all Forecaster readers can expect considerate personal attention from our Research Department at any time and without additional charge. Moreover, about these 30 securities in particular, would advise present shareholders to contact us without delay. *Our address is THE CANADIAN FORECASTER, 238 Adelaide Street West, Toronto. Our telephone number is EMpire 4-5421-2. Annual subscription rate for our eight page weekly commentary on Canadian stocks and the market is $45, but 60-day trial arrangements are available at $5 or $5.50 airmail. Overseas rates upon request.*

Three More Profit Boosts In Noranda Mines Group

Higher profits are the pattern in the latest batch of first-half earnings reports in the Noranda group of mining companies (**FP,** July 30).

● **Noranda Mines,** the parent firm, lifted net 6%.

● **Waite Amulet Mines** had profits up 31%.

● **Kerr-Addison Gold Mines,** Canada's largest gold producer, had profit up 6%.

● **Pamour Porcupine** and **Aunor Gold Mines** previously reported higher profits while **Hallnor Gold** showed a decline.

Box-score for the reporting companies — five up, one down.

Here are the latest reports.

NORANDA MINES net profit of $6,151,000 ($1.37 a share) compares with $5,807,000 ($1.29). The semi-annual report also shows an average for half of 1959 of $5,716,000 ($1.28).

John R. Bradfield, president, notes that in future the company will compare first half-year results with the average for the previous year.

Copper production is being reduced 1% a month toward a 10% cut-back as previously proposed, he adds.

▸ **Gaspe Copper Mines** treated an average of 6,700 tons daily and produced 40.4 million lb. copper. Profit of $5.5 million before depreciation and pre-production expense write-offs compared with $4,316,000 in the first half of 1959. Since the end of 1959, debt has been reduced by $4.8 million to $22.7 million.

▸ **Empresa Minera de Nicaragua** earned $113,000, down from $220,000 in the first half of 1959. A dividend of $60,000 was received by Noranda.

▸ **Noranda Copper & Brass** sales and earnings have been reduced sharply because of intensified competition and generally lower level of brass mill business, Mr. Bradfield reports.

▸ **Canada Wire & Cable Co.,** cost reduction program has produced some improvement.

	First Half 1960	First Half 1959
Copper output, lb.	25,517,000	26,185,000
Gold output, oz.	89,425	95,473
Operating revenue less direct costs	$10,524,000	$10,049,000
Investment income	2,842,000	2,703,000
Interest payable	871,000	829,000
Depreciation	2,569,000	3,191,000
Outside exploration	350,000	250,000
Taxes	3,425,000	2,675,000
Est. net profit	$6,151,000	$5,807,000
Per share	$1.37	$1.29

WAITE AMULET MINES net profit rose to $1,643,600 (50c) from $1,254,700 (38c) in the first half of 1959. The improvement reflects increased dividends from **Amulet Dufault.** Had the Canadian dollar been at par with the U. S. dollar, revenue from metals in the first half would have been increased by $65,000, Bradfield notes.

Mill treated an average of 875 tons daily with production rate to be reduced since underground operations are on a salvage basis and exploration work has been discontinued.

	First Half 1960	First Half 1959
Tons milled (incl. Amulet Dufault)	159,527	151,063
Income less investment write-down	$1,929,600	$1,825,100
Amulet Dufault divds.	1,056,000	594,000
Costs	823,200	757,600
Depreciation	32,800	24,800
Taxes	495,000	382,000
Est. net profit	$1,643,700	$1,254,700
Per share	50c	38c

KERR - ADDISON GOLD MINES net at $2,756,195 (58c) is ahead from $2,605,714 (55c) in the first half of 1959. There have been no significant ore developments since the annual meeting report, W. S. Row, president, reports. On the 4,200 ft. level the crosscut is being driven toward the ore zone.

On the 4,800 ft. level, where previous disappointing drilling results brought heavy selling in Kerr shares and knocked the price down from $21⅝ to $13½ (**FP,** April 30), the drift has been extended to a position from which additional diamond drilling will be done, Row reports.

On the 5,600 level, a pilot hole will be drilled toward the projected position of the ore.

	First Half 1960	First Half 1959
Tons milled	829,381	824,551
Gold, oz.	294,590	282,765
Output value	$10,015,058	$9,611,792
Misc. income	206,569	169,122
Costs	5,547,065	5,327,025
Depreciation	261,467	277,092
Taxes	1,656,900	1,571,083
Est. net profit	$2,756,195	$2,605,714
Per share	58c	55c

Algoma Central Plans Redemption

Directors of **Algoma Central & Hudson Bay Railway Co.** have authorized redemption Sept. 1 of 4,000 6% cumulative redeemable convertible preferred shares, par $50, at $52½.

Each preferred share is convertible into three common shares. There were 79,774 preferred shares outstanding at Dec. 31, 1959.

Recent prices: Preferred, $53½; common, $16¼.

THE PERSONAL TOUCH

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Pay Hike of 7c Over Two Years Gold Mine Pattern

A 7c hr. pay increase over two years is the new pattern of labor agreements in the Timmins-Porcupine gold mining camp.

The wage increase comes in two steps, 4c now and another 3c in July, 1961, with fringe benefits additional to these straight cash increases.

Steelworkers Union has signed agreements with **Aunor Gold Mines, Delnite Mines,** of Timmins, **Hallnor Mines** and **Pamour Porcupin Mines** of Pamour, and **Preston East Dome Mines** at South Porcupine.

An exception to the pattern: Extension of an old agreement at **Coniarum Mines** of Schumacher where the mine is to be closed down after clean-up operations.

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Winter Works Could Reach $100 Million

If municipalities can raise the ante for a broadened works program, the federal government might increase its contribution to $15 million.

OTTAWA (Staff)—Spending on the winter works program this season may rise to some $100 million.

That would be $25 million above the estimated investment in this employment-stimulating weapon last winter.

Of the $75 million spent on winter works last season, the federal government share was about $12 million.

It might reach $15 million or more this season.

Reason: Municipalities will be able to use federal funds for a greater variety of projects.

Catch: If they can raise their share of the costs for all the projects they'd like.

This catch was one of the points made by opposition spokesmen when Prime Minister Diefenbaker made his Commons announcement of the program broadening.

Other questions raised:

- **How much difference** will the change make?
- **How effective** has the program been in its first two winters of operation?
- **Does it go far enough?**

Ottawa pays half the labor costs of approved projects. Labor Minister Starr said the average labor content of all the projects carried out so far has been 34.5% — half of which Ottawa pays.

Since the program's announcement on Oct. 27, 1958, projects have been divided broadly thus:

- Construction and major improvement of municipal roads, streets, sidewalks and bridges.
- Construction and major improvement of municipal water and sewage facilities.
- Construction and development of municipal parks and playgrounds.

This winter, municipalities will be able to include:

- Construction, major reconstruction, major alteration or renovation of municipal buildings — not including schools or hospitals — providing the federal share is not over $50,000 on each structure.
- Street lighting projects including traffic signals, municipal parking lots, water and sewage treatment plants, pumping stations and water towers.

The answer to how effective the program has been so far depends on who's answering.

Diefenbaker:

"It has provided tangible support, usually where most needed, to the over-all winter employment educational efforts which have been steadily gaining momentum in all parts of the country."

In hard facts:

Last winter 860 municipalities participated, compared with nearly 700 during the previous winter.

Diefenbaker said it is estimated over 51,000 men received on-site employment on some 2,600 individual projects involving close to two million man-days of work last winter.

"It is not unreasonable to assume that at least an equal number of man-days were provided indirectly in manufacturing and servicing material that went into these projects."

The broadening of the program, Diefenbaker added, "should materially increase winter work particularly for building tradesmen, who regularly constitute a large proportion of the seasonally unemployed workers each winter, as well as for many workers engaged in the production of building supplies."

On these points, Liberal spokesman Paul Martin said:

The "limited effectiveness" of the program is illustrated by the fact some 40,000 men were put to work by it at a time when total estimated unemployment was 555,000.

Furthermore, wouldn't the municipalities have carried out some of the projects without the federal financial incentive?

"The program should be extended to a much wider area — to include, for instance, the cost of materials."

In Martin's view its weakness is:

"In many sections of our country where unemployment is greatest, it is not open to the municipalities to provide this contribution, along with the provinces, because of the financial situation of so many of them."

In simpler terms, some municipalities can't afford to participate.

His conclusion: welcome as far as it goes.

U.K. Brokers Like Shares In Plastics, Steel, Trucks

Special Correspondence

LONDON, Eng. — As most of the short-term influences are still adverse, markets have retreated again, though there has been good resistance at the lower levels.

The Financial Times equity index dropped back from 315.5 to 307.0, compared with 1960 extremes of 342.9 and 295.8.

Government bonds remain quiet with only marginal changes in prices.

Oils are still under the influence of the recent slide on Wall Street and several issues are at or near the year's "lows". At present prices **Shell** yields 6% and **British Petroleum** 7.3%.

Brokers in London are now recommending shares of companies in industries considered still to have good prospects for output and exports.

These include steel, plastics, heavy commercial vehicles, machine tools and office equipment. The outlook for car-makers is, with some exceptions, less clear, though 1959-60 results are sure to be good.

Here are Canadian prices of some typical U. K. securities:

(Supplied by Wisener, Mackellar & Co., Toronto)

	Recent Bid	Recent Ask	July 25 Bid
Industrials	$	$	$
Bowater Paper	7⅞	8¼	7¾
Courtaulds*	7⅛	7⅝	7⅛
Daily Mirror "A"	1.45	1.65	1⅜
Hawker Siddeley	3⅞	4⅛	3¾
Hudson Bay Stores	22¼	22¾	22¼
Imperial Chemical	8.50	8.80	8.75
Motors			
British Motor Corp.	2⅛	2⅜	2⅛
Ford Motor	13	13⅝	13⅜
Jaguar	8¼	8⅝	8⅜
Oils			
British Petroleum	6½	6⅞	6½
Shell Trans. & Trading	18	18⅝	17⅝
Royal Dutch	34¼	34¾	32¼
Steels			
Colville	10½	11	10⅝
Dorman Long	5⅝	6	5⅞
Steel Co. of Wales	5⅝	6	5⅞
Stewarts & Lloyds	6⅜	6⅞	6⅜
John Summers	9¼	9⅞	9⅜
United Steel	10½	11	10¾
South African			
Free State Geduld	16¼	16¾	15½
Blyvoors	3.40	3.65	3¼
President Brand	7¾	8¼	7⅝
Gov't Bonds	$ per £100		
Convers. 5/71	245	250	246
Transport 3/78/88	160	165	160
Victory 4/76	245	250	250
War 3½ Perpetual	160	164	160

*Reflects 1-for-3 stock dividend.

Bailey Selburn Five-Month Net Increases 21%

Total revenue of **Bailey Selburn Oil & Gas Ltd.** for the five months ended May 31, 1960, amounted to $1,826,177, compared with $1,781,288 for same period last year.

Net profit at $258,018, showed an improvement of more than 21% over last year's corresponding period.

Increased sales of gas to **Trans-Canada Pipe Lines** from company's Bindloss and Nevis holdings may be expected to commence late in 1960.

But because of delay of the Federal Power Commission permits it now appears likely that deliveries of gas from company's East Calgary and Pine Coulee lands will begin toward the end of 1961 rather than in November of this year as previously anticipated.

Deliveries from the East Calgary field are expected to increase income from natural gas sales by some 200%.

Sulphur and liquid hydrocarbons byproducts extracted from the raw gas will also bring revenue.

Drilling of further development wells on company's Crossfield properties will proceed as rapidly as possible.

In addition company plans to drill some 12 exploratory wells during the coming autumn and winter.

NAME SECRETARY

Ben Lepkin, legal assistant to Manitoba labor department, will act as secretary to the judicial commission which will enquire into all aspects of the **Brandon Packers Ltd.** strike. Mr. Justice G. E. Tritschler was named previously as the one-man commission.

B-A Net Rises In First Half

Consolidated net profit of **British American Oil Co.** for the six months ended June 30, 1960, amounted to $13,730,000 or 67c a share compared with $8,396,000 or 41c a share for the same period last year.

Approximately $2 million of the increase over last year was realized in non-recurring form on disposal of company's fleet of tank cars and liquidation of certain long-term investments.

Production and pipeline earnings in Western Canada improved this year largely through increased production and sale of gas, crude oil and condensate.

Earnings from refining and marketing operations were also higher than those for the same period last year, president E. D. Loughney stated in a letter to shareholders.

Mr. Loughney noted that earnings in the first half of last year were adversely affected by a drop early in the year in finished product selling prices, which followed immediately after price reductions for crude oil.

B.A's daily net crude oil and condensate production in Western Canada and U. S. for the period was 62,237 bbl., slightly higher than in corresponding period of 1959. Crude oil processed was off slightly at 122,762 b/d (125,948 b/d).

Refined products sold amounted to 114,533 b/d — up narrowly from previous corresponding period's 112,515 b/d.

Net sales and other operating revenues were actually down slightly in the first half of this year — $153,946,000 as against $154,704,000. But other income was up and expenses were reduced.

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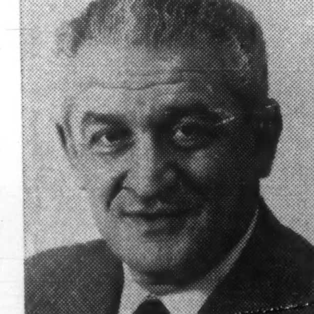
ANNOUNCEMENT

SHOPSY'S FOODS LTD. APPOINTMENT



A. B. DAVID

Samuel Shopsowitz, President of Shopsy's Foods Ltd., announces the appointment of A. B. David as General Manager of the Company.

Mr. David joined Shopsy's in 1958 as Supervisor of Plant Operations.

Company Reports

Merchandising

CUNNINGHAM DRUG STORES LTD., Vancouver, consolidated net profit of $105,658 for the year ended March 31, 1960, was down 9% from previous fiscal year's $116,053.

Combined sales increased 7%. Profits were 0.75% of sales.

Two new stores were opened and six enlarged, while two unprofitable stores were closed. Warehouse facilities were improved along with a program of assistance to independent drug store operators. Twelve independent operators were assisted in opening new stores or acquiring existing stores during the year, President Ralph T. Cunningham reports.

"Business conditions don't allow room for projecting much improvement during the coming year," the president says.

CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1960	1959
Net profit	$105,658	*$116,053
Less: Pref. divds.	6,141	7,488
Com. divds.	62,828	62,828
Surplus for year	36,680	45,737

*Including minority interest in subsidiary acquired during year of $1,305.

Earnings per Share and Dividend Record:	1960	1959
Preferred	$47.32	$42.62
Paid	2.75	2.75
Common	0.40	0.43
Paid	0.25	0.25
Shares o/s as at Mar. 31:		
5½% Pref., $50 par	2,233	2,723
Cl. A com., n.p.v.	226,179	251,310
Cl. B com., n.p.v.	25,131	

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1960	1959
Cash	$71,425	$76,759
Accts. rec., less res.	578,151	443,403
Inventories	2,414,454	2,300,954
Total curr. assets	3,064,030	2,821,116
C.s.v., life ins.	31,899	30,335
Misc. assets	165,977	153,579
Fixed assets*	1,092,102	1,063,745
Goodwill	77,674	44,710
Total assets	4,431,682	4,113,485
Due bank	1,115,029	925,454
Demand loan	60,000	50,000
Accts., tax., etc., pay.	940,125	845,502
Mtge. instal.	17,569	15,931
Total curr. liab.	2,132,723	1,836,887
Mtge. pay.	364,608	382,741
Pref. sh. red. fund	41,922	46,082
Minority int.	48,278	23,436
Capital stock	403,045	427,545
Capital surplus	186,162	161,661
Earned surplus	1,254,944	1,235,103
*After depr. of	687,613	582,675
Working capital	931,307	984,229

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